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City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2003

CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2003

Prepared by:
The Finance Department

Jeffrey H. Harrington
Finance Director

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City of Dover, New Hampshire
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003

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INTRODUCTORY SECTION

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City Manager

paul.beecher@ci.dover.nh.us



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Dover, New Hampshire 03820-4169

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Fax: (603) 516-6049
www.ci.dover.nh.us

City of Dover, New Hampshire
OFFICE OF THE CITY MANAGER

November 30, 2003

To the Honorable Mayor and members of the City Council:

This report consists of the management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Melanson Heath & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ending June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the financial statements for the fiscal year ended June 30, 2003, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial state-

ments, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of Government

Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire.

The City of Dover occupies an area of 29 square miles and serves a population of 26,884, based on the 2000 Census. The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855 and the current City Charter was adopted on March 9, 1977. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

The nine member City Council is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater

collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$ 10,000 or more for items with useful lives of 3 years or longer are included in the budget. Based on City Council financing policy, items are identified for bonding, annual operating budget or other type of financing. Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget (which includes the School Board request) for the next fiscal year is due to the City Council by April 15th of each year. The City Council may add to, or cut from, the Manager's recommended budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1. After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy. The City of Dover currently enjoys a favorable economic environment and local indicators point to continued stability. Economic indicators include the number of real estate transfers at 12.9% of taxable parcels for FY03, up a full percentage point. Equalized value per capita for FY03 was \$ 74,227, up 13% from \$ 65,680 in FY02.

Unemployment as of June 2003 was at 3.4%, well below both the State and U.S. rates of 4% and 6.5% respectively. This level is about on par with the levels from 1995 through 1997.

The percentage of uncollected taxes at the end of FY91 was 17.6%, while at the end of FY03 this rate was 5.3%. The amount of Property Tax Liens for FY03 remains at a low of 2.0% of the property tax levy.

Motor vehicle permits continued to be strong during FY03 at 29,990 vehicles. This represents a 10-year increase of over 29%. The number of building permits was down from 2002, but remained consistent with 2000 and 2001 at 629 with an average permit of \$ 69,159. The area reflecting the largest negative economic change is the in General Assistance payments; however, this appears to be leveling off in FY03.

The City successfully completed 42 zoning ordinance changes. Included in the rezoning effort were 200 new acres of industrial land, 200 acres for commercial uses, as well as changes intended to buffer the City from the effects of the residential development.

Financial Position. The City's General Fund ended Fiscal Year 2003 with an increase to its Undesignated Fund Balance of \$ 103,845 to \$ 3.7 million. The General Fund has been in the black since the deficits of the early 1990s. The General Fund undesignated fund balance at June 30, 2003 was 6.4% of the FY03 budget (6% is the minimum requirement of the City Financial Policies). The Water and Sewer Funds are in good financial health with quick ratios of 1.27 and 1.34, respectively. The quick ratio is a measure of current asset (excluding inventories) divided by current liabilities. A ratio of 1 is considered satisfactory. The Arena continued its deficit spending reaching a total unrestricted deficit of \$ 1,396,688 and has a quick ratio of .03. The City is in the process of reorganizing the division, increasing fees and reducing costs.

| Unreserved/Unrestricted Equity | | |
|-----------------------------------|-----------|-------------|
| Fund | FY02* | FY03 |
| General | 3,605,676 | 3,709,521 |
| Water | 860,198 | 1,105,362 |
| Sewer | 2,466,845 | 3,104,198 |
| Arena | (922,021) | (1,396,688) |
| Total | 6,010,698 | 6,522,393 |
| * Water, Sewer and Arena restated | | |

The amount of debt has increased in constant dollars at an annual rate of 4.5% over the past 10 years. General Fund debt per capita is at \$ 1,446, a reasonable amount for a municipality the size of Dover. The General Fund debt to equalized value is 1.9%, considered below average. General Fund Debt Service as a percent of budget at 9.2% is considered average; however, it is higher than the 8% required by policy. This is partially due to the high rate of debt pay down also required by the policy. Pay down of debt over the next 10 years is at 79.3%, above the 75% required by policy and considered aggressive by credit agencies. These two policies conflict to some degree and the later is recommended for change to 65% pay down of debt within the next 10 years.

In August of 1999 the City received a bond rating upgrade from Moody's Investor Services to a Baa1. The City received a second upgrade to A3 in May 2001 and a third in June 2003 to A2. The City also received a rating from Standard & Poor's of A+ in June 2003.


In summary, the General Fund's financial position is considered healthy and improving. Reserves are adequate; however, they should be increased. The local economy is in good shape, in spite of national trends. Unlike the economic conditions of the early 1990's, with a local military base closing, there is no major issue negatively affecting the real estate and banking markets, which are strong. There is also more diversification in the makeup of the business community both in Dover and the surrounding area.

Long-term financial planning. The City Council will be determining the City's capital improvements program needs, which include the facility improvements of the School system in the amount of \$ 12.8 million, streets and sidewalk improvements of \$ 6.9 million, a new Police facility for \$ 6.25 million and the mitigation of the Tolend Road Landfill for \$ 5 million. The School and landfill mitigation projects are expected to receive state aid towards the debt service costs of the financing bonds.

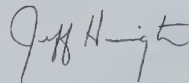
Acknowledgements

This report represents a milestone in the City of Dover's financial reporting. It is the first year that the City has received an unqualified opinion from the auditors due to the inclusion of complete and accurate capital asset information. Also, this is the first comprehensive annual financial report (CAFR) the City has produced. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report. In addition, the financial statements meet the reporting requirements of the new Governmental Accounting Standards Board (GASB) Statement 34 that provides for a government wide view of the City's finances. Each of these items required many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

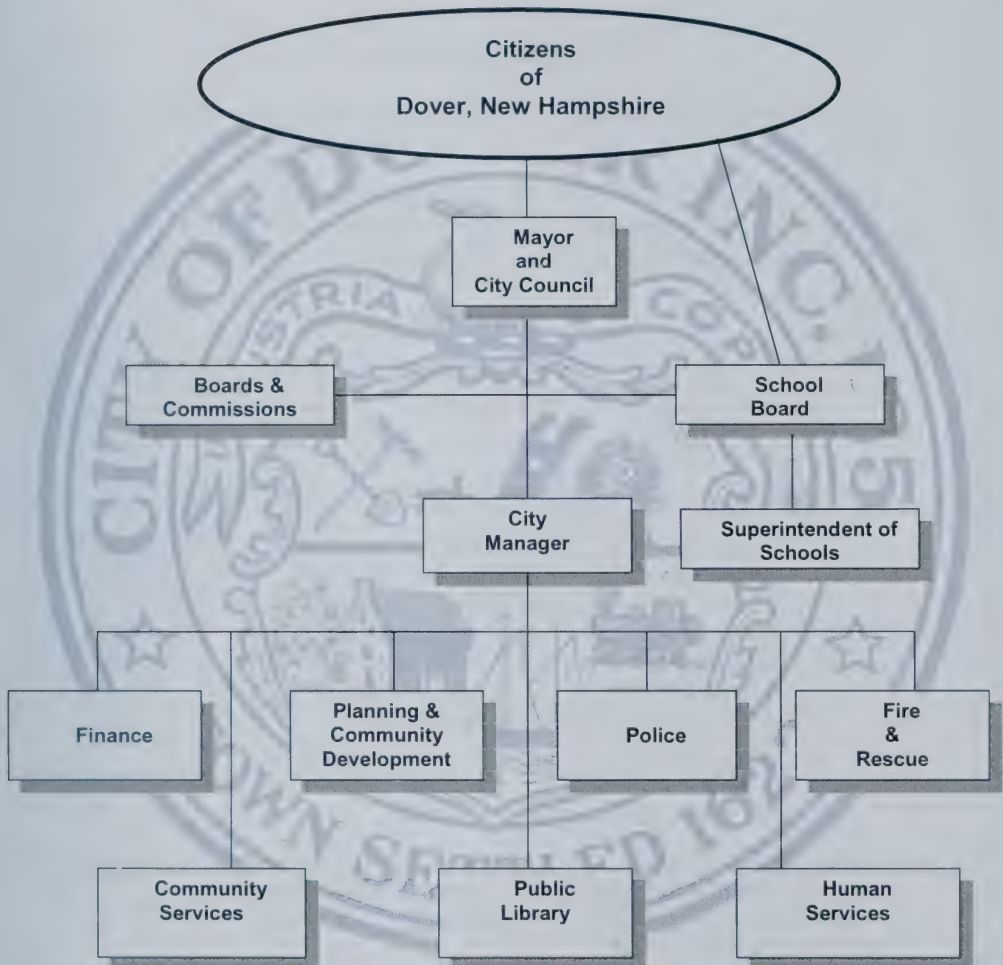


Paul Beecher
City Manager



Jeffrey H. Harrington
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

Fiscal Year 2003

(July 1, 2002 – June 30, 2003)

City Council Members

Mayor: Alexander G. Nossiff

Ward 6: Thomas C. Dunnington, Jr.,
Mayor Pro-Tem

Ward 1: Robert Keays

Ward 2: Brenda Whitmore

Ward 3: Matt Mayberry

Ward 4: Raymond Tweedie

Ward 5: Jason Hindle

At Large: Parks Christenbury III

At Large: Kevin Quigley

City Manager

Paul G. Beecher

Departments

Finance

Planning

Police

Fire and Rescue

Community Services

Public Library

Human Services

Jeffrey H. Harrington

Steven J. Stancel

William Fenniman, Jr.

Perry Plummer

Pierre Lavoie

Cathy Beaudoin

Janet A. Poulin

School Board

Ward 1: Linda Brennan

Ward 2: Valerie McKenny

Ward 3: Carolyn Mebert

Ward 4: Dorothy Hooper

Ward 5: Heather Orion-Hindle

Ward 6: Nicholas Skaltsis

At Large: Doris Grady

Superintendent: Armand LaSelva

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FINANCIAL SECTION



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Dover, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dover's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and applicable Nonmajor Governmental Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 23, the City has implemented several new *Governmental Accounting Standards Board Statements* which has resulted in the restatement of beginning fund equity balances of several funds, and has established net assets for governmental and business-type activities.

The management's discussion and analysis, appearing on the following pages, is not a required part of the basic financial statements but is supplementary information required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's basic financial statements. The additional information included in the supplementary statement and schedule section is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 22, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
August 22, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2003. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 101,821,457 (i.e., net assets), an increase of \$ 989,052 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 16,132,748, an increase of \$3,362,948 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 3,709,521, an increase of \$ 103,845 in comparison with the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$ 55,061,863, an increase of \$ 835,813 in comparison to the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 70,852,151, an increase of \$ 8,009,774 in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water, sewer, arena, and Dover Industrial Development Authority (DIDA) activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for both funds to demonstrate compliance with these budgets.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, sewer, arena and DIDA operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, arena, and DIDA operations, all of which are considered to be major funds

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board*.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 101,821,457, an increase of \$ 989,052 from the prior year.

Financial Position. The following is a summary of condensed government-wide financial data of net assets for the current fiscal year. Because fiscal year 2003 was the first year of GASB 34 implementation, prior year comparative data was not available for presentation. Comparative information will be provided in future years.

| | Governmental Activities | Business-Type Activities | Total |
|----------------------------|----------------------------|-----------------------------|---------------|
| Current and Other Assets | \$ 31,340,328 | \$ 10,058,938 | \$ 41,399,266 |
| Capital Assets | 89,073,302 | 61,943,016 | 151,016,318 |
| Total Assets | \$120,413,630 | \$ 72,001,954 | \$192,415,584 |
| Long-term Liabilities | \$ 55,367,227 | \$ 22,650,204 | \$ 78,017,431 |
| Other Liabilities | 18,286,809 | (5,710,113) | 12,576,696 |
| Total Liabilities | \$ 73,654,036 | \$ 16,940,091 | \$ 90,594,127 |
| Net Assets: | | | |
| Invested in Capital Assets | \$ 49,686,985 | \$ 50,262,498 | \$ 99,949,483 |
| Restricted | 449,317 | 908,920 | 1,358,237 |
| Unrestricted | (3,376,708) | 3,890,445 | 513,737 |
| Total Net Assets | \$ 46,759,594 | \$ 55,061,863 | \$101,821,457 |

By far the largest portion of net assets \$ 99,949,483 (98.2 percent) reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$ 1,358,237 represents resources that are subject to external restrictions on how they may be used. The remaining net balance of unrestricted net assets \$ 513,737 may be used to meet the government's ongoing obligations to citizens and creditors.

It should be noted that the unrestricted net asset balance consists of a negative balance in the governmental activities of \$ 3,376,708 and a positive balance in the business-type activities of \$ 3,890,445. The main reason for the negative position of the governmental activities is the inclusion of unfunded long-term liabilities for Tolend Road Landfill mitigation of \$ 11,016,013 and unfunded compensated absences of \$ 2,825,586.

Of the \$ 11,016,013 for Tolend Road Landfill mitigation, \$ 6,916,013 represents mitigation costs and \$ 4,100,000 represents post mitigation maintenance and monitoring. The City anticipates the mitigation costs to be financed with long-term debt and it is included in the City's six year Capital Improvements Program. The maintenance and monitoring costs are expected to be financed within the annual operating budget, as needed.

The \$ 2,825,586 for compensated absences represents the unfunded portion of accrued employee leave benefits, payable as taken or at termination. The City has also funded an additional liability of \$ 492,666 into a separate fund to make payments. The unfunded portion is to be financed in the annual budget as needed.

Financial Results. The following is a summary of condensed government-wide financial data of changes in net assets for the current fiscal year. Because fiscal year 2003 was the first year of GASB 34 implementation, prior year comparative data was not available for presentation. Comparative information will be provided in future years.

CHANGE IN NET ASSETS

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 13,056,890 | \$ 8,138,952 | \$ 21,195,842 |
| Operating grants and contributions | 9,116,737 | - | 9,116,737 |
| Capital grants and contributions | 1,691,916 | 512,554 | 2,204,470 |
| General revenues: | | | |
| Property taxes | 38,969,984 | - | 38,969,984 |
| Motor vehicle registration | 3,719,694 | - | 3,719,694 |
| Penalties and interest on taxes | 196,283 | - | 196,283 |
| Investment income | 244,495 | 11,042 | 255,537 |
| Other | 223,362 | - | 223,362 |
| Total Revenues | <u>67,219,361</u> | <u>8,662,548</u> | <u>75,881,909</u> |
| Expenses: | | | |
| General government | 3,745,857 | - | 3,745,857 |
| Public safety | 9,713,495 | - | 9,713,495 |
| Public works | 7,995,930 | - | 7,995,930 |
| Culture and recreation | 2,985,494 | - | 2,985,494 |
| Education | 36,502,911 | - | 36,502,911 |
| Human services | 630,133 | - | 630,133 |
| Intergovernmental | 3,695,246 | - | 3,695,246 |
| Interest on long-term debt | 1,492,822 | 1,199,742 | 2,692,564 |
| Miscellaneous | 318,758 | - | 318,758 |
| Water operations* | - | 2,112,830 | 2,112,830 |
| Sewer operations* | - | 3,534,609 | 3,534,609 |
| Arena operations* | - | 957,932 | 957,932 |
| DIDA operations | - | 7,098 | 7,098 |
| Total Expenses | <u>67,080,646</u> | <u>7,812,211</u> | <u>74,892,857</u> |
| Change in Net Assets before Transfers | <u>138,715</u> | <u>850,337</u> | <u>989,052</u> |
| Transfers in (out) | <u>14,524</u> | <u>(14,524)</u> | <u>-</u> |
| Change in Net Assets | <u>153,239</u> | <u>835,813</u> | <u>989,052</u> |
| Net Assets - beginning of year | 46,606,355 | 54,226,050 | 100,832,405 |
| Net Assets - end of year | <u>\$ 46,759,594</u> | <u>\$ 55,061,863</u> | <u>\$ 101,821,457</u> |

* Excludes Interest on long-term debt reflected separately as follows:

Water \$ 213,516, Sewer \$ 792,958, Arena \$ 193,268

Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$ 153,239. Key elements of this increase are as follows:

- The \$ 153,239 change in net assets consists principally of favorable general fund budgetary results of \$ 775,000 (less \$ 250,000 use of fund balance), excess of revenues of expenditures in nonmajor governmental funds (exclusive of capital projects) and the excess of depreciation expense over debt principal payments.

Business-Type Activities. Business-type activities for the year resulted in an increase in net assets of \$ 835,813 or 1.5%. Key elements of this change are as follows:

- The Water and Sewer Funds had net asset increases of \$ 835,575 or 6.1% and \$ 375,347 or .9%, respectively. The increases mainly relate to an increase in the estimate of unbilled revenue.
- The Arena Fund had a decrease in net assets of \$ 368,010 or 87.6% due mainly to a shortage of \$ 264,330 in revenue from low ice rental rates and transfers in.

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 16,132,748, an increase of \$ 3,362,948 in comparison with the prior year. Most of this increase was attributable to realizing of \$ 9,159,000 in bond proceeds for capital improvements in the non-major governmental funds.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$ 3,709,521, while total fund balance was \$ 6,137,847. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.5 percent of total general fund expenditures, while total fund balance represents 10.8 percent of that same amount.

The fund balance of the general fund increased by \$ 433,364 during the current fiscal year, or 7.6%. Key factors in this change are as follows:

- Receipt of Motor Vehicle Permit revenue in excess of the amount budgeted by \$ 219,694.
- Under spending of departmental appropriations by \$ 285,485.

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$ 3,890,445. This amount consists of the Water Fund of \$ 1,105,762, the Sewer Fund of \$ 3,104,198, the Arena Fund deficit of \$ 1,396,688 and the Dover Industrial Development Fund (DIDA) of \$ 1,077,173. Of the net assets of the DIDA Fund, \$ 1,043,641 represents an investment in land holdings for the purpose of resale for economic development.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

The Combined Balance Sheet presented on pages 18 and 19 is on a fund basis in accordance with the financial reporting model prior to GASB Statement 34 and is intended to assist the reader in understanding the City's financial position.

CITY OF DOVER, NEW HAMPSHIRE

Schedule of Combined Balance Sheet

**All Fund Types and Account Groups
June 30, 2003**

| | Governmental Fund Types | | | Proprietary Fund Types | |
|--|-------------------------|---------------------|---------------------|------------------------|-------------------|
| | General | Special Revenue | Capital Projects | Enterprise | Internal Service |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash | \$ 6,461,098 | \$ 39,644 | \$ - | \$ 600 | \$ - |
| Investments | 16,761,974 | 2,111,707 | - | 892,769 | - |
| Receivables, net of allowance for uncollectibles | | | | | |
| Taxes | 2,010,899 | - | - | - | - |
| Departmental | 62,708 | 140,275 | - | 561,007 | 103,587 |
| Departmental - unbilled | - | - | - | 996,315 | - |
| Intergovernmental | 443,855 | 1,088,990 | - | 7,689,827 | - |
| Loans receivable | - | 618,898 | - | - | - |
| Due from other funds | 939,808 | 1,816,888 | 6,389,776 | 9,291,437 | 660,424 |
| Inventories | - | 40,898 | - | 232,916 | 66,489 |
| Other assets | - | - | - | 20,744 | 7,426 |
| Long-term assets: | | | | | |
| Advance to other funds | 1,381,880 | - | - | - | - |
| Property, plant and equipment, net | - | - | - | 62,989,657 | - |
| Amounts to be provided for retirement of general long-term debt and other liabilities | - | - | - | - | - |
| Total Assets | \$ 28,062,222 | \$ 5,857,300 | \$ 6,389,776 | \$ 82,675,272 | \$ 837,926 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 421,704 | \$ 167,407 | \$ 376,475 | \$ 481,046 | \$ 22,243 |
| Accrued liabilities | 1,859,542 | 22,056 | 598 | 378,162 | 416,117 |
| Retainage payable | - | - | 105,512 | 173,290 | - |
| Deferred revenue | 900,462 | 637,120 | - | - | - |
| Due to other funds | 18,738,878 | 943,007 | - | - | - |
| Other current liabilities | - | - | - | 1,688 | - |
| Long-term liabilities: | | | | | |
| Advance from Other Funds | - | - | - | 1,381,880 | - |
| Long-term debt | - | - | - | 25,076,059 | - |
| Other long-term liabilities | 3,789 | - | - | - | - |
| Compensated absences | - | - | - | 121,284 | - |
| Total Liabilities | 21,924,375 | 1,769,590 | 482,585 | 27,613,409 | 438,360 |
| Fund Balances: | | | | | |
| Invested in capital assets | - | - | - | - | - |
| Invested in capital assets- net of debt | - | - | - | 50,262,498 | - |
| Reserved For: | | | | | |
| Endowment | - | - | - | - | - |
| Encumbrances | 790,753 | 394,500 | 1,825,214 | - | - |
| Advances | 1,381,880 | - | - | - | - |
| Inventory | - | 23,424 | - | - | - |
| Debt | 170,000 | - | - | - | - |
| Capital outlay | 85,693 | - | 4,081,977 | 908,920 | - |
| Unreserved | 3,709,521 | 3,669,786 | - | 3,890,445 | 399,566 |
| Total Fund Balances | 6,137,847 | 4,087,710 | 5,907,191 | 55,061,863 | 399,566 |
| Total Fund Balances & Liabilities | \$ 28,062,222 | \$ 5,857,300 | \$ 6,389,776 | \$ 82,675,272 | \$ 837,926 |

| Fiduciary Fund Types | | Account Groups | | Totals |
|----------------------|-------------------|---------------------------|---------------------------|-----------------------|
| Trusts | Agency | General Capital Assets | General Long Term Debt | Memorandum Only |
| \$ - | \$ - | \$ - | \$ - | \$ 6,501,342 |
| 532,645 | - | - | - | 20,299,095 |
| - | - | - | - | 2,010,899 |
| - | - | - | - | 867,577 |
| - | - | - | - | 996,315 |
| - | - | - | - | 9,222,672 |
| - | - | - | - | 618,898 |
| 9,797 | 573,755 | - | - | 19,681,885 |
| - | - | - | - | 340,303 |
| - | - | - | - | 28,170 |
| - | - | - | - | 1,381,880 |
| - | - | 89,073,302 | - | 152,062,959 |
| - | - | - | 59,617,691 | 59,617,691 |
| <u>\$ 542,442</u> | <u>\$ 573,755</u> | <u>\$ 89,073,302</u> | <u>\$ 59,617,691</u> | <u>\$ 273,629,686</u> |
| | | | | |
| \$ - | \$ 573,755 | \$ - | \$ - | \$ 2,042,630 |
| - | - | - | - | 2,676,475 |
| - | - | - | - | 278,802 |
| - | - | - | - | 1,537,582 |
| - | - | - | - | 19,681,885 |
| - | - | - | - | 1,688 |
| - | - | - | - | 1,381,880 |
| - | - | - | 45,776,092 | 70,852,151 |
| - | - | - | 11,016,013 | 11,019,802 |
| - | - | - | 2,825,586 | 2,946,870 |
| - | 573,755 | - | 59,617,691 | 112,419,765 |
| - | - | 89,073,302 | - | 89,073,302 |
| - | - | - | - | 50,262,498 |
| 542,442 | - | - | - | 542,442 |
| - | - | - | - | 3,010,467 |
| - | - | - | - | 1,381,880 |
| - | - | - | - | 23,424 |
| - | - | - | - | 170,000 |
| - | - | - | - | 5,076,590 |
| - | - | - | - | 11,669,318 |
| <u>542,442</u> | <u>-</u> | <u>89,073,302</u> | <u>-</u> | <u>161,209,921</u> |
| <u>\$ 542,442</u> | <u>\$ 573,755</u> | <u>\$ 89,073,302</u> | <u>\$ 59,617,691</u> | <u>\$ 273,629,686</u> |

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$ 317,811. Major reasons for these amendments include:

- \$ 200,000 for additional snow removal.
- \$ 100,000 for additional Education purposes.
- \$ 17,811 for a state grant received by Community Services - Public Works for waste oil removal.

Of this increase, \$ 300,000 was funded from motor vehicle permit revenue in excess of the original budget.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$ 151,019,316 (net of accumulated depreciation), an increase of approximately \$ 10,644,000 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment. The following yearly comparison shows net fixed assets by category:

Capital Assets (000s) (net of depreciation)

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Totals</u> | |
|----------------------------|--------------------------------|-----------|---------------------------------|-----------|---------------|------------|
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| Land | \$ 10,334 | \$ 10,334 | \$ 1,712 | \$ 2,037 | \$ 12,046 | \$ 12,371 |
| Buildings and improvements | 36,043 | 38,745 | 27,941 | 26,842 | 63,984 | 65,587 |
| Machinery and equipment | 12,484 | 11,673 | 1,855 | 1,980 | 14,339 | 13,653 |
| Infrastructure | 15,703 | 17,286 | 26,249 | 25,876 | 41,952 | 43,162 |
| Construction in Progress | 12,546 | 11,035 | 1,881 | 5,211 | 14,427 | 16,246 |
| Total Assets | \$ 87,110 | \$ 89,073 | \$ 59,638 | \$ 61,946 | \$ 146,748 | \$ 151,019 |

Major capital asset events during the current fiscal year included the following:

- The increase in building improvements mainly related to the Dover High School and Horne Street School for \$ 2,135,632 and \$ 915,000 respectively.
- The increase in infrastructure improvements mainly related to the Sixth Street Reconstruction of \$ 2,125,028 and general street improvements of \$ 719,214.

- The increase to construction in progress mainly related to School Facility Improvements of \$ 1,645,120, Tolend Road Landfill mitigation of \$ 871,880, the Dover Point Water Main of \$ 786,335 and the Berry Brook Sewer Main of \$ 723,484.

Long-term debt. At the end of the current fiscal year, total long-term debt outstanding was \$ 70,852,151, a net increase of \$ 8,009,774 over the previous fiscal year end, all of which was backed by the full faith and credit of the government.

Long-term Debt (000s)

| | Governmental Activities | | Business-Type Activities | | Totals | |
|--------------------------|-------------------------|-----------|--------------------------|-----------|-----------|-----------|
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| General Obligation Bonds | \$ 39,598 | \$ 44,844 | \$ 22,182 | \$ 25,053 | \$ 61,780 | \$ 69,897 |
| State Revolving Loans | 1,017 | 932 | 45 | 23 | 1,062 | 955 |
| Total Long-term Debt | \$ 40,616 | \$ 45,776 | \$ 22,227 | \$ 25,076 | \$ 62,842 | \$ 70,852 |

- During the fiscal year, the City issued \$ 14,280,000 in general obligation bonds; \$ 9,159,000 related to governmental activities and \$ 5,121,000 related to business-type activities. The City bonds were insured by AMBAC and were rated Aaa by Moody's Investors Service and AAA by Standard & Poor's. The underlying rating of the City was an A2 rating from Moody's Investor Service and an A+ from Standard & Poor's. The bonds sold at a true interest cost of 3.17 percent.

Additional information on capital assets and long-term debt can be found in the footnotes to the financial statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

| General Fund Budget | FY03 | FY04 | Increase (Decrease) | % Change |
|---------------------|------------|------------|------------------------|----------|
| City | 21,903,467 | 23,301,253 | 1,397,786 | 6.4% |
| School | 31,930,456 | 33,238,790 | 1,308,334 | 4.1% |
| County | 3,695,245 | 4,639,183 | 943,938 | 25.5% |
| Total Budget | 57,529,168 | 61,179,226 | 3,650,058 | 6.3% |

The following table reflects the tax levy amounts for each year.

| Tax Levies | FY03 | FY04 | Increase (Decrease) | % Change |
|-------------------|-------------|-------------|--------------------------------|-----------------|
| City | 14,465,998 | 15,270,024 | 804,026 | 5.6% |
| School - Local | 11,262,544 | 12,421,536 | 1,158,992 | 10.3% |
| School - State | 8,936,790 | 8,716,438 | (220,352) | -2.5% |
| Total School | 20,199,334 | 21,137,974 | 938,640 | 4.6% |
| County | 3,645,193 | 4,589,131 | 943,938 | 25.9% |
| Total Tax Levy | 38,310,525 | 40,997,129 | 2,686,604 | 7.0% |

The following table reflects the tax rates for each year.

| Tax Rate | FY03 | FY04 | Increase (Decrease) | % Change |
|-----------------|-------------|-------------|--------------------------------|-----------------|
| City | 7.90 | 7.43 | (0.47) | -5.9% |
| School - Local | 6.08 | 5.98 | (0.10) | -1.6% |
| School - State | 4.91 | 4.26 | (0.65) | -13.2% |
| Total School | 10.99 | 10.24 | (0.75) | -6.8% |
| County | 1.97 | 2.21 | 0.24 | 12.2% |
| Total Tax Rate | 20.86 | 19.88 | (0.98) | -4.7% |

- The reason for the overall decrease in the tax rate relates to an increase of \$ 225,664,950 in net assessed value to \$ 2,077,988,192.

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

| Utility Funds | FY03 | FY04 | Increase (Decrease) | % Change |
|----------------------|-------------|-------------|--------------------------------|-----------------|
| Water Fund | 2,323,187 | 2,542,010 | 218,823 | 9.4% |
| Sewer Fund | 3,657,819 | 3,750,424 | 92,605 | 2.5% |
| Total Utility Funds | 5,981,006 | 6,292,434 | 311,428 | 5.2% |

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

| Utility Rates | FY03 | FY04 | Increase (Decrease) | % Change |
|----------------------|-------------|-------------|--------------------------------|-----------------|
| Water Fund | 2.17 | 2.38 | 0.21 | 9.7% |
| Sewer Fund | 3.73 | 3.98 | 0.25 | 6.7% |
| Combined Rates | 5.90 | 6.36 | 0.46 | 7.8% |

- The City is addressing the Arena Fund deficit through the renegotiation of ice rental rates and reorganization of the division in fiscal year 2004.

Discussion of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.ci.dover.nh.us

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CITY OF DOVER, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2003

| | Governmental Activities | Business-Type Activities | Total |
|---|-----------------------------|-----------------------------|------------------------------|
| ASSETS | | | |
| Current: | | | |
| Cash and short-term investments | \$ 6,500,742 | \$ 600 | \$ 6,501,342 |
| Investments | 18,873,681 | 892,769 | 19,766,450 |
| Receivables, net of allowance for uncollectibles: | | | |
| Property taxes | 1,360,379 | - | 1,360,379 |
| User fees | - | 1,557,322 | 1,557,322 |
| Departmental and other | 306,570 | - | 306,570 |
| Intergovernmental | 1,532,845 | 1,059,948 | 2,592,793 |
| Loans | 618,898 | - | 618,898 |
| Inventory | 107,387 | 232,915 | 340,302 |
| Other assets | 7,426 | 20,744 | 28,170 |
| Noncurrent: | | | |
| Receivables, net of allowance for uncollectibles: | | | |
| Intergovernmental | - | 6,629,879 | 6,629,879 |
| Other | 650,520 | - | 650,520 |
| Advance to (from) other funds | 1,381,880 | (1,381,880) | - |
| Investment in land | - | 1,043,641 | 1,043,641 |
| Capital assets, net of accumulated depreciation | <u>89,073,302</u> | <u>61,946,016</u> | <u>151,019,318</u> |
| TOTAL ASSETS | 120,413,630 | 72,001,954 | 192,415,584 |
| LIABILITIES | | | |
| Current: | | | |
| Accounts payable | 987,829 | 481,045 | 1,468,874 |
| Accrued liabilities | 2,365,836 | 378,161 | 2,743,997 |
| Retainage payable | 105,512 | 173,289 | 278,801 |
| Interfund | 9,874,989 | (9,291,437) | 583,552 |
| Other current liabilities | 159,043 | 1,690 | 160,733 |
| Current portion of long-term liabilities: | | | |
| Bonds payable | 4,214,821 | 2,547,139 | 6,761,960 |
| Compensated absences | 578,779 | - | 578,779 |
| Noncurrent: | | | |
| Bonds payable, net of current portion | 41,561,271 | 22,528,920 | 64,090,191 |
| Compensated absences, net of current portion | 2,789,943 | 121,284 | 2,911,227 |
| Liability for hazardous waste-site cleanup | <u>11,016,013</u> | <u>-</u> | <u>11,016,013</u> |
| TOTAL LIABILITIES | 73,654,036 | 16,940,091 | 90,594,127 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 49,686,985 | 50,262,498 | 99,949,483 |
| Restricted for: | | | |
| Capital projects | - | 908,920 | 908,920 |
| State and federal grants | 449,317 | - | 449,317 |
| Unrestricted | <u>(3,376,708)</u> | <u>3,890,445</u> | <u>513,737</u> |
| TOTAL NET ASSETS | \$ <u>46,759,594</u> | \$ <u>55,061,863</u> | \$ <u>101,821,457</u> |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

| | | Program Revenues | | |
|----------------------------------|----------------------|----------------------|---------------------|---------------------|
| | | Charges for | Operating | Capital |
| | Expenses | Services | Grants and | Grants and |
| | | | Contributions | Contributions |
| Governmental Activities: | | | | |
| General government | \$ 3,745,857 | \$ 1,484,034 | \$ 1,461,553 | \$ - |
| Public safety | 9,713,495 | 1,235,206 | 629,470 | - |
| Public works | 7,995,930 | 868,876 | 264,531 | 1,324,773 |
| Culture and recreation | 2,985,494 | 403,968 | 34,953 | 16,895 |
| Education | 36,502,911 | 9,004,003 | 6,726,230 | 350,248 |
| Human services | 630,133 | 6,230 | - | - |
| Intergovernmental | 3,695,246 | - | - | - |
| Interest | 1,492,822 | - | - | - |
| Miscellaneous | 318,758 | 54,573 | - | - |
| Total Governmental Activities | <u>67,080,646</u> | <u>13,056,890</u> | <u>9,116,737</u> | <u>1,691,916</u> |
| Business-Type Activities: | | | | |
| Water services | 2,326,346 | 3,158,780 | - | - |
| Sewer services | 4,327,567 | 4,196,982 | - | 512,554 |
| Arena services | 1,151,200 | 783,190 | - | - |
| DIDA services | 7,098 | - | - | - |
| Total Business-Type Activities | <u>7,812,211</u> | <u>8,138,952</u> | <u>-</u> | <u>512,554</u> |
| Total | <u>\$ 74,892,857</u> | <u>\$ 21,195,842</u> | <u>\$ 9,116,737</u> | <u>\$ 2,204,470</u> |

General Revenues:

Property taxes
Motor vehicle registrations
Penalties, interest and other taxes
Investment income
Other revenue
Transfers, net

Total general revenues and transfers

Change in Net Assets

Net Assets:

Beginning of year

End of year

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets

| <u>Governmental</u> <u>Activities</u> | <u>Business-</u> <u>Type</u> <u>Activities</u> | <u>Total</u> |
|--|--|-----------------------|
| \$ (800,270) | \$ - | \$ (800,270) |
| (7,848,819) | - | (7,848,819) |
| (5,537,750) | - | (5,537,750) |
| (2,529,678) | - | (2,529,678) |
| (20,422,430) | - | (20,422,430) |
| (623,903) | - | (623,903) |
| (3,695,246) | - | (3,695,246) |
| (1,492,822) | - | (1,492,822) |
| (264,185) | - | (264,185) |
| <u>(43,215,103)</u> | <u>-</u> | <u>(43,215,103)</u> |
| - | 832,434 | 832,434 |
| - | 381,969 | 381,969 |
| - | (368,010) | (368,010) |
| <u>-</u> | <u>(7,098)</u> | <u>(7,098)</u> |
| <u>-</u> | <u>839,295</u> | <u>839,295</u> |
| <u>(43,215,103)</u> | <u>839,295</u> | <u>(42,375,808)</u> |
| 38,969,984 | - | 38,969,984 |
| 3,719,694 | - | 3,719,694 |
| 196,283 | - | 196,283 |
| 244,495 | 11,042 | 255,537 |
| 223,362 | - | 223,362 |
| 14,524 | (14,524) | - |
| <u>43,368,342</u> | <u>(3,482)</u> | <u>43,364,860</u> |
| 153,239 | 835,813 | 989,052 |
| <u>46,606,355</u> | <u>54,226,050</u> | <u>100,832,405</u> |
| <u>\$ 46,759,594</u> | <u>\$ 55,061,863</u> | <u>\$ 101,821,457</u> |

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2003

| | <u>General</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|--|---|
| ASSETS | | | |
| Cash and short-term investments | \$ 6,461,098 | \$ 39,644 | \$ 6,500,742 |
| Investments | 16,761,974 | 2,111,707 | 18,873,681 |
| Receivables, net of allowance for uncollectibles: | | | |
| Taxes | 2,010,899 | - | 2,010,899 |
| Departmental and other | 62,708 | 140,275 | 202,983 |
| Intergovernmental | 443,855 | 1,088,990 | 1,532,845 |
| Loans | - | 618,898 | 618,898 |
| Due from other funds | 939,808 | 8,206,664 | 9,146,472 |
| Advance to other funds | 1,381,880 | - | 1,381,880 |
| Inventory | - | 40,898 | 40,898 |
| TOTAL ASSETS | \$ 28,062,222 | \$ 12,247,076 | \$ 40,309,298 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 421,704 | \$ 543,882 | \$ 965,586 |
| Accrued liabilities | 1,859,542 | 22,654 | 1,882,196 |
| Retainage payable | - | 105,512 | 105,512 |
| Deferred revenues | 900,462 | 637,120 | 1,537,582 |
| Due to other funds | 18,738,878 | 943,007 | 19,681,885 |
| Other liabilities | 3,789 | - | 3,789 |
| TOTAL LIABILITIES | 21,924,375 | 2,252,175 | 24,176,550 |
| Fund Balances: | | | |
| Reserved for: | | | |
| Encumbrances | 790,753 | 2,219,714 | 3,010,467 |
| Advances | 1,381,880 | - | 1,381,880 |
| Expenditures | 85,693 | - | 85,693 |
| Other specific purposes | 170,000 | 23,424 | 193,424 |
| Unreserved: | | | |
| Undesignated, reported in: | | | |
| General fund | 3,709,521 | - | 3,709,521 |
| Special revenue funds | - | 3,669,786 | 3,669,786 |
| Capital project funds | - | 4,081,977 | 4,081,977 |
| TOTAL FUND BALANCES | 6,137,847 | 9,994,901 | 16,132,748 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 28,062,222 | \$ 12,247,076 | \$ 40,309,298 |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2003

| | <u>General</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--|---|
| Revenues: | | | |
| Taxes | \$ 38,649,599 | \$ 477,468 | \$ 39,127,067 |
| Licenses and permits | 4,096,208 | - | 4,096,208 |
| Intergovernmental | 1,914,757 | 5,113,963 | 7,028,720 |
| Current services | 1,124,299 | 2,861,961 | 3,986,260 |
| Education | 11,740,906 | - | 11,740,906 |
| Miscellaneous | 478,202 | 582,570 | 1,060,772 |
| Total Revenues | <u>58,003,971</u> | <u>9,035,962</u> | <u>67,039,933</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 2,946,305 | 416,274 | 3,362,579 |
| Public safety | 8,500,956 | 1,168,557 | 9,669,513 |
| Public works | 4,451,367 | 826,979 | 5,278,346 |
| Culture and recreation | 1,973,218 | 53,137 | 2,026,355 |
| Education | 29,199,879 | 5,443,127 | 34,643,006 |
| Human services | 653,336 | 528,133 | 1,181,469 |
| Capital outlay | - | 7,471,290 | 7,471,290 |
| Intergovernmental | 3,695,246 | - | 3,695,246 |
| Debt service | 5,522,705 | - | 5,522,705 |
| Total Expenditures | <u>56,943,012</u> | <u>15,907,497</u> | <u>72,850,509</u> |
| Excess (deficiency) of revenues over expenditures | 1,060,959 | (6,871,535) | (5,810,576) |
| Other Financing Sources (Uses): | | | |
| Proceeds of bonds | - | 9,159,000 | 9,159,000 |
| Operating transfers in | 49,595 | 894,914 | 944,509 |
| Operating transfers out | (677,190) | (252,795) | (929,985) |
| Total Other Financing Sources (Uses) | <u>(627,595)</u> | <u>9,801,119</u> | <u>9,173,524</u> |
| Excess of revenues and other sources over expenditures and other uses | 433,364 | 2,929,584 | 3,362,948 |
| Fund Equity, at Beginning of Year, as restated | <u>5,704,483</u> | <u>7,065,317</u> | <u>12,769,800</u> |
| Fund Equity, at End of Year | <u>\$ 6,137,847</u> | <u>\$ 9,994,901</u> | <u>\$ 16,132,748</u> |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

JUNE 30, 2003

| | |
|---|-----------------------------|
| Total governmental fund balances | \$ 16,132,748 |
| <ul style="list-style-type: none">Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 89,073,302 |
| <ul style="list-style-type: none">Revenues are reported on the accrual basis of accounting and are not deferred until collection. | 1,555,142 |
| <ul style="list-style-type: none">Internal services funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. | 399,566 |
| <ul style="list-style-type: none">In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. | (333,062) |
| <ul style="list-style-type: none">Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. | (60,068,102) |
| Net assets of governmental activities | \$ <u>46,759,594</u> |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,362,948

- Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

| | |
|-------------------------------|-------------|
| Capital outlay purchases, net | 6,079,537 |
| Depreciation | (4,116,688) |
- Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue.

| | |
|--|--------|
| | 15,973 |
|--|--------|
- The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets:

| | |
|--------------------|-------------|
| Issuance of debt | (9,159,000) |
| Repayments of debt | 3,998,487 |
- In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.

| | |
|--|--------|
| | 31,396 |
|--|--------|
- Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

| | |
|--|------------|
| | (142,966) |
|--|------------|
- Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities.

| | |
|--|---------------|
| | <u>83,552</u> |
|--|---------------|

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 153,239

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

Statement of Revenues and Other Financing Sources,
and Expenditures and Other Financing Uses -
Budget and Actual - General Fund - Budget Basis

For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|------------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues and Other Sources: | | | | |
| Taxes | \$ 38,613,335 | \$ 38,613,335 | \$ 38,682,692 | \$ 69,357 |
| Licenses and permits | 3,500,433 | 3,800,433 | 4,096,221 | 295,788 |
| Intergovernmental | 1,849,830 | 1,867,641 | 1,914,757 | 47,116 |
| Current services | 1,059,473 | 1,059,473 | 1,124,299 | 64,826 |
| Education | 11,731,122 | 11,731,122 | 11,740,906 | 9,784 |
| Other revenue | 492,975 | 492,975 | 478,202 | (14,773) |
| Transfers in | 32,000 | 32,000 | 49,595 | 17,595 |
| Total Revenues and Other Sources | 57,279,168 | 57,596,979 | 58,086,672 | 489,693 |
| Expenditures and Other Uses: | | | | |
| General Government | | | | |
| City Council | 154,349 | 154,349 | 144,835 | 9,514 |
| Executive | 928,532 | 931,532 | 930,310 | 1,222 |
| Finance | 912,917 | 912,917 | 908,354 | 4,563 |
| Planning | 585,449 | 633,866 | 632,885 | 981 |
| Misc. General Government | 701,586 | 801,724 | 800,710 | 1,014 |
| Total General Government | 3,282,833 | 3,434,388 | 3,417,094 | 17,294 |
| Public Safety | | | | |
| Police | 4,800,088 | 4,798,818 | 4,756,118 | 42,700 |
| Fire | 3,863,585 | 3,863,585 | 3,853,753 | 9,832 |
| Total Public Safety | 8,663,673 | 8,662,403 | 8,609,872 | 52,531 |
| Community Services - Public Works | 3,758,211 | 3,953,855 | 3,898,641 | 55,214 |
| Culture and Recreation | | | | |
| Community Services - Recreation | 1,153,205 | 1,070,685 | 1,039,652 | 31,033 |
| Public Library | 939,966 | 939,966 | 918,719 | 21,247 |
| Total Culture and Recreation | 2,093,171 | 2,010,651 | 1,958,371 | 52,280 |
| Human Services | 591,545 | 657,915 | 655,030 | 2,885 |
| Education | 29,751,613 | 29,851,613 | 29,825,786 | 25,827 |
| Debt Service | | | | |
| Principal | 3,977,237 | 3,977,237 | 3,977,237 | - |
| Interest | 1,715,640 | 1,603,671 | 1,524,218 | 79,453 |
| Total Debt Service | 5,692,877 | 5,580,908 | 5,501,455 | 79,453 |
| Intergovernmental | 3,695,245 | 3,695,246 | 3,695,246 | - |
| Total Expenditures and Other Uses | 57,529,168 | 57,846,979 | 57,561,494 | 285,485 |
| Excess (deficiency) of revenues and other sources over expenditures and other use | \$ (250,000) * | \$ (250,000) * | \$ 525,178 | \$ 775,178 |

* Represents budgetary use of Fund Balance voted by the City Council.

See accompanying notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

SCHEDULE OF REVENUES AND OTHER SOURCES,
AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

ANNUALLY BUDGETED NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|--------------------|---|
| | Original Budget | Final Budget | | |
| Revenues and Other Sources: | | | | |
| Charges for services | \$ 1,189,839 | \$ 1,189,839 | \$ 864,822 | \$ (325,017) |
| Intergovernmental | - | - | 506,247 | 506,247 |
| Miscellaneous | 241,663 | 241,663 | 269,828 | 28,165 |
| Transfers in | <u>374,000</u> | <u>374,000</u> | <u>374,000</u> | <u>-</u> |
| Total Revenues and Other Sources | 1,805,502 | 1,805,502 | 2,014,897 | 209,395 |
| Expenditures and Other Uses: | | | | |
| Public safety | 272,863 | 272,863 | 250,289 | 22,574 |
| Education | 800,000 | 800,000 | 1,073,272 | (273,272) |
| Public works | 704,639 | 704,639 | 686,026 | 18,613 |
| Culture and recreation | <u>28,000</u> | <u>28,000</u> | <u>27,524</u> | <u>476</u> |
| Total Expenditures and Other Uses | <u>1,805,502</u> | <u>1,805,502</u> | <u>2,037,111</u> | <u>(231,609)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | \$ <u>-</u> | \$ <u>-</u> | \$ <u>(22,214)</u> | \$ <u>(22,214)</u> |

See Independent Auditors' Report.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2003

| | Business-Type Activities Enterprise Funds | | | | Governmental Activities Internal Service Funds |
|--|--|----------------------|---------------------|---------------------|--|
| | Water Fund | Sewer Fund | Arena Fund | DIDA Fund | |
| <u>ASSETS</u> | | | | | |
| Current: | | | | | |
| Cash and short-term investments | \$ - | \$ - | \$ 600 | \$ - | \$ - |
| Investments | 149,657 | 733,804 | 9,308 | - | - |
| User fees, net of allowance for uncollectibles | | | | | |
| Billed | 225,652 | 291,396 | 43,959 | - | 103,587 |
| Unbilled | 427,729 | 568,586 | - | - | - |
| Intergovernmental receivables | 10 | 1,059,938 | - | - | - |
| Due from other funds | 3,316,074 | 5,959,083 | 313 | 15,967 | 660,424 |
| Inventory | 211,857 | 19,537 | 1,522 | - | 66,489 |
| Other assets | 1,603 | 1,576 | - | 17,565 | 7,426 |
| Total current assets | 4,332,582 | 8,633,920 | 55,702 | 33,532 | 837,926 |
| Noncurrent: | | | | | |
| Investment in land | - | - | - | 1,043,641 | - |
| Intergovernmental | - | 6,629,879 | - | - | - |
| Capital assets, net of accumulated depreciation | 16,661,496 | 40,651,138 | 4,633,382 | - | - |
| Total noncurrent assets | 16,661,496 | 47,281,017 | 4,633,382 | 1,043,641 | - |
| TOTAL ASSETS | 20,994,078 | 55,914,937 | 4,689,084 | 1,077,173 | 837,926 |
| <u>LIABILITIES</u> | | | | | |
| Current: | | | | | |
| Accounts payable | 344,866 | 121,345 | 14,835 | - | 22,243 |
| Accrued liabilities | 52,986 | 302,668 | 22,508 | - | 416,117 |
| Retainage payable | 53,775 | 119,515 | - | - | - |
| Advance from other funds | - | - | 1,381,880 | - | - |
| Other current liabilities | 763 | 925 | - | - | - |
| Current portion of long-term liabilities: | | | | | |
| Bonds payable | 645,649 | 1,653,000 | 248,490 | - | - |
| Total current liabilities | 1,098,039 | 2,197,453 | 1,667,713 | - | 438,360 |
| Noncurrent: | | | | | |
| Bonds payable, net of current portion | 5,340,000 | 13,403,000 | 3,785,920 | - | - |
| Compensated absences | 43,190 | 54,547 | 23,547 | - | - |
| Total noncurrent liabilities | 5,383,190 | 13,457,547 | 3,809,467 | - | - |
| TOTAL LIABILITIES | 6,481,229 | 15,655,000 | 5,477,180 | - | 438,360 |
| <u>NET ASSETS</u> | | | | | |
| Invested in capital assets, net of related debt | 13,243,168 | 36,420,359 | 598,971 | - | - |
| Reserved for capital projects | 163,919 | 735,380 | 9,621 | - | - |
| Unrestricted | 1,105,762 | 3,104,198 | (1,396,688) | 1,077,173 | 399,566 |
| TOTAL NET ASSETS | \$ 14,512,849 | \$ 40,259,937 | \$ (788,096) | \$ 1,077,173 | \$ 399,566 |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2003

| | Business-Type Activities Enterprise Funds | | | | Governmental Activities Internal Service Fund |
|--|--|----------------------|---------------------|---------------------|---|
| | Water Fund | Sewer Fund | Arena Fund | DIDA Fund | |
| Operating Revenues: | | | | | |
| Charges for services | \$ 3,040,583 | \$ 3,917,154 | \$ 744,278 | \$ - | \$ 1,175,104 |
| Other | <u>27,738</u> | <u>179,928</u> | <u>32,662</u> | <u>-</u> | <u>-</u> |
| Total Operating Revenues | 3,068,321 | 4,097,082 | 776,940 | - | 1,175,104 |
| Operating Expenses: | | | | | |
| Personnel services | 953,028 | 946,451 | 419,123 | - | 499,342 |
| Supplies and materials | 198,097 | 236,722 | 40,284 | - | 23,279 |
| Charges and services | 250,698 | 328,302 | 86,045 | 7,098 | 322,797 |
| Utilities | 204,340 | 312,720 | 268,306 | - | - |
| Capital outlay | 5,030 | 124,454 | - | - | 39,441 |
| Depreciation | 501,637 | 1,585,960 | 144,174 | - | - |
| Costs of sales | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>206,693</u> |
| Total Operating Expenses | <u>2,112,830</u> | <u>3,534,609</u> | <u>957,932</u> | <u>7,098</u> | <u>1,091,552</u> |
| Operating Income (Loss) | 955,491 | 562,473 | (180,992) | (7,098) | 83,552 |
| Nonoperating Revenues (Expenses): | | | | | |
| Intergovernmental revenue | - | 512,554 | - | - | - |
| Investment income | 3,141 | 7,902 | - | - | - |
| Other | 90,459 | 99,900 | 6,250 | - | - |
| Interest expense | <u>(213,516)</u> | <u>(792,958)</u> | <u>(193,268)</u> | <u>-</u> | <u>-</u> |
| Total Nonoperating Revenues (Expenses), Net | <u>(119,916)</u> | <u>(172,602)</u> | <u>(187,018)</u> | <u>-</u> | <u>-</u> |
| Income (Loss) Before Transfers | 835,575 | 389,871 | (368,010) | (7,098) | 83,552 |
| Transfers: | | | | | |
| Operating transfers out | <u>-</u> | <u>(14,524)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in Net Assets | 835,575 | 375,347 | (368,010) | (7,098) | 83,552 |
| Net Assets at Beginning of Year, as restated | <u>13,677,274</u> | <u>39,884,590</u> | <u>(420,086)</u> | <u>1,084,271</u> | <u>316,014</u> |
| Net Assets at End of Year | <u>\$ 14,512,849</u> | <u>\$ 40,259,937</u> | <u>\$ (788,096)</u> | <u>\$ 1,077,173</u> | <u>\$ 399,566</u> |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2003

| | Business-Type Activities Enterprise Funds | | | | Governmental Activities Internal Service Fund |
|--|--|---------------|---------------|--------------|---|
| | Water Fund | Sewer Fund | Arena Fund | DIDA Fund | |
| Cash Flows From Operating Activities: | | | | | |
| Receipts from customers and users | \$ 2,752,857 | \$ 4,563,744 | \$ 825,847 | \$ 7,834 | \$ - |
| Receipts from interfund service provided | - | - | - | - | 1,165,608 |
| Payments to vendors and employees | (444,118) | (910,986) | (823,010) | (7,834) | (1,226,645) |
| Payments of employee benefits and expenses | (952,750) | (946,306) | - | - | - |
| Net Cash Provided By (Used For) Operating Activities | 1,355,989 | 2,706,452 | 2,837 | - | (61,037) |
| Cash Flows From Noncapital Financing Activities: | | | | | |
| Transfers to other funds | - | (14,524) | - | - | - |
| Other | 90,459 | 99,900 | 6,250 | - | - |
| Intergovernmental subsidy | - | 512,554 | - | - | - |
| Net Cash (Used For) Noncapital Financing Activities | 90,459 | 597,930 | 6,250 | - | - |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Proceeds from issuance of bonds and notes | 2,225,000 | 2,896,000 | - | - | - |
| Capital asset additions | (1,921,998) | (2,618,107) | - | - | - |
| Principal payments on bonds and notes | (546,649) | (1,480,000) | (244,534) | - | - |
| Interest expense | (213,516) | (792,958) | (193,268) | - | - |
| Due from other funds | (1,267,088) | (1,569,993) | - | - | 61,037 |
| Advance from general fund | - | - | 437,644 | - | - |
| Net Cash (Used For) Capital and Related Financing Activities | (1,724,251) | (3,565,058) | (158) | - | 61,037 |
| Cash Flows From Investing Activities: | | | | | |
| Investment income | 3,142 | 7,903 | - | - | - |
| Investment purchases (sales) | 274,661 | 252,773 | (8,929) | - | - |
| Net Cash (Used For) Investing Activities | 277,803 | 260,676 | (8,929) | - | - |
| Net Change in Cash and Short-Term Investments | - | - | - | - | - |
| Cash and Short Term Investments, Beginning of Year | - | - | 600 | - | - |
| Cash and Short Term Investments, End of Year | \$ - | \$ - | \$ 600 | \$ - | \$ - |
| Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities: | | | | | |
| Operating income (loss) | \$ 955,491 | \$ 562,473 | \$ (180,992) | \$ (7,098) | \$ 83,553 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | |
| Depreciation | 501,637 | 1,585,960 | 144,174 | - | - |
| Changes in assets and liabilities: | | | | | |
| User fees | (315,464) | 466,662 | 48,908 | 7,834 | (9,496) |
| Inventory | (26,608) | 85 | (148) | - | (9,994) |
| Other assets | (1,604) | (1,576) | - | - | 3,978 |
| Accounts payable | 276,069 | 38,316 | (5,092) | (736) | (23,322) |
| Accrued liabilities | (43,079) | (84,808) | (4,013) | - | (105,756) |
| Other liabilities | 9,547 | 139,340 | - | - | - |
| Net Cash Provided By (Used For) Operating Activities | \$ 1,355,989 | \$ 2,706,452 | \$ 2,837 | \$ - | \$ (61,037) |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2003

| | Private Purpose Trust Funds | Agency Funds |
|--|--------------------------------------|--------------------|
| <u>ASSETS</u> | | |
| Investments | \$ 532,645 | \$ - |
| Due from other funds | <u>9,797</u> | <u>573,755</u> |
| Total Assets | 542,442 | 573,755 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Accounts payable | <u>-</u> | <u>573,755</u> |
| Total Liabilities | <u>-</u> | <u>573,755</u> |
| <u>NET ASSETS</u> | | |
| Total net assets held in trust | \$ <u><u>542,442</u></u> | \$ <u><u>-</u></u> |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Private Purpose Trust Funds</u> |
|--------------------|--|
| Additions: | |
| Contributions | 54,206 |
| Investment income | <u>1,105</u> |
| Total additions | 55,311 |
| Deductions: | |
| Miscellaneous | <u>13,299</u> |
| Total deductions | <u>13,299</u> |
| Net increase | 42,012 |
| Net assets: | |
| Beginning of year | <u>500,430</u> |
| End of year | <u><u>\$ 542,442</u></u> |

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Dover, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The government is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2003, it was determined that no entities met the required GASB-14 criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded

from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the following major proprietary funds:

- Water Enterprise Fund
- Sewer Enterprise Fund
- Arena Enterprise Fund
- DIDA Enterprise Fund

The private-purpose trust fund is used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

D. Cash and Short-Term Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Under the statutes of the State of New Hampshire, the City may invest excess funds in short-term obligations of the U.S. Government, in deposits with savings banks incorporated in the state, or in certificates of deposits of state incorporated banks, national banks incorporated in New Hampshire or Massachusetts, or the New Hampshire Public Deposit Investment Pool. The City has developed a formal investment policy outlining criteria to determine qualified financial institutions and investment in certificates of deposit, repurchase agreements, and U.S. Treasury bills. All investments are made under this policy.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be cash equivalents.

E. Investments

Under New Hampshire law, “the trustees shall have the custody of all trust funds held by their city or town. The funds shall be invested only by deposit in some savings bank or in the savings department of a national bank or trust company in this state, or in shares of any building and loan association or co-operative bank, incorporated and doing business under the laws of this state, or in the shares of any federal savings and loan association, located and doing business in this state, or in bonds, notes or other obligations of the United States government, or in state, country, town, city, school district, water and sewer district bonds and the notes of towns or cities in this state; and such stock and bonds as are legal for investment by New Hampshire savings banks and when so invested, the trustees shall not be liable for the loss thereof; and in any common trust fund established by the New Hampshire Charitable Foundation in accordance with RSA 292:23. The trustees may retain investments as received from donors, until the maturity thereof.” Investments of any one type or in any one institution may not exceed \$ 10,000 or 10 percent except for deposits in savings banks, or in the savings department of a national bank or trust company in this state, or in shares of any building and loan association or co-operative bank, incorporated and doing business under the laws of this state, or in the shares of any federal savings and loan association, located and doing business in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units of any common trust funds established by the New Hampshire Charitable Foundation in accordance with RSA 292:23.”

Investments for the trust funds consist of shares in mutual funds and short-term money market investments. Investments are carried at market value.

F. Interfund Receivables and Payables

Transactions between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due from/to other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

G. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$ 10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings | 20 - 40 |
| Building improvements | 40 |
| Building systems | 15 - 24 |
| Infrastructure | 20 - 60 |
| Water/sewer infrastructure | 24 - 50 |
| Vehicles | 8 - 15 |
| Office equipment | 7 - 15 |
| Computer equipment | 5 - 10 |
| Improvements other than buildings | 15 - 20 |
| Machinery and equipment | 5 - 15 |

I. Compensated Absences

Depending on the union, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which

lapses at year end. Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2003 was \$ 492,666. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 1. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are

adopted for the general fund, various special revenue funds, and proprietary funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Committee.

The City Manager, with Council approval, may transfer budgeted amounts between non-school departments, and the head of the School Department may transfer budget amounts within the department. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

B. Budgetary Basis

The General Fund final appropriation appearing on Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

| | Revenues and other <u>financing sources</u> | Expenditures and other <u>financing uses</u> | Excess (deficiency) of revenues and other financing sources over (under) expenditures and other <u>financing uses</u> |
|---|---|--|--|
| <u>General Fund</u> | | | |
| Revenues/Expenditures (GAAP basis) | \$ 58,003,971 | \$ 56,943,012 | \$ 1,060,959 |
| Other financing sources/ uses (GAAP basis) | <u>49,595</u> | <u>677,190</u> | <u>(627,595)</u> |
| Subtotal (GAAP basis) | 58,053,566 | 57,620,202 | 433,364 |

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| <u>General Fund</u> | <u>Revenues and other financing sources</u> | <u>Expenditures and other financing uses</u> | <u>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</u> |
|--|---|--|---|
| Adjust property tax revenue to accrual basis | 33,106 | - | 33,106 |
| Reverse beginning of year appropriation carryforwards from expenditures | - | (760,238) | 760,238 |
| Add end of year appropriation carryforwards to expenditures | - | 722,780 | (722,780) |
| To reverse amortized debt | <u>-</u> | <u>(21,250)</u> | <u>21,250</u> |
| Budgetary Basis | \$ <u>58,086,672</u> | \$ <u>57,561,494</u> | \$ <u>525,178</u> |
| <u>Nonmajor Governmental Funds</u> | | | |
| Revenues/Expenditures (GAAP basis) | \$ 9,035,962 | \$ 15,907,497 | \$ (6,871,535) |
| Other financing sources/ uses (GAAP basis) | <u>10,053,914</u> | <u>252,795</u> | <u>9,801,119</u> |
| Subtotal | 19,089,876 | 16,160,292 | 2,929,584 |
| Nonmajor governmental funds previously budgeted or not governed by annual budget | <u>(17,074,979)</u> | <u>(14,123,181)</u> | <u>(2,951,798)</u> |
| Budgetary basis | \$ <u>2,014,897</u> | \$ <u>2,037,111</u> | \$ <u>(22,214)</u> |

In addition, adjustments are made to the proprietary funds to conform to the budgetary basis, primarily for the omission of depreciation expense which is not budgeted, and the inclusion of principal debt service and capital expenses which are budgeted expenses.

D. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Nonmajor Governmental Funds:

Special Revenue Funds:

| | |
|------------------------------|-------------|
| Tuition Programs | \$(210,318) |
| School Alternative Education | \$(1,601) |
| School Facilities | \$(61,353) |

Proprietary Funds:

| | |
|------------------|-------------|
| Enterprise Fund: | |
| Arena Fund | \$(98,558) |

E. Deficit Fund Equity

The following funds had deficits as of June 30, 2003:

Nonmajor Governmental Funds:

| | |
|------------------------|------------|
| Special Revenue Funds: | |
| Police - DOT | \$(268) |
| Tuition Programs Fund | \$(6,298) |

Proprietary Funds:

| | |
|------------------|-------------|
| Enterprise Fund: | |
| Arena Fund | \$(788,096) |

The deficits in these funds will be eliminated through future departmental or intergovernmental revenues and transfers from other funds.

3. Cash and Cash Equivalents

At year end, the City's carrying amount of deposits was \$ 6,501,342 and the bank balance was \$ 7,924,200. Of the bank balance, \$ 128,750 was covered by federal depository insurance or by collateral held by the government's agent in the City's name. The remaining balance was collateralized with securities held by the Federal Reserve Bank of Boston in a joint account of the financial institution and the government in both names.

4. Investments

The City's investments are categorized into the following three categories of credit risk:

- (1) Insured or registered, or securities held by the City or its agent in the City's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

At year end, the government's investment balances were as follows (in thousands):

| | Category | | | Total |
|--|-----------|----------|------|-------------|
| | 1 | 2 | 3 | |
| Investments not subject to categorization: | | | | |
| Public deposit investment pool | \$ 18,525 | \$ - | \$ - | \$ 18,525 * |
| Mutual and money market funds | - | 1,774 | - | 1,774 |
| Total Investments | \$ 18,525 | \$ 1,774 | \$ - | \$ 20,299 |

* These investments are fully collateralized with collateral held by a third party, and are fully insured by MBIA, Inc.

5. Taxes Receivable

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year end.

Property taxes are due no earlier than December 1 and June 1, of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years.

Taxes receivable at June 30, 2003 are comprised of (in thousands):

| | |
|--------------------------|----------|
| Unredeemed taxes: | |
| Levy of 2003 | \$ 1,642 |
| Levy of 2002 | 231 |
| Levy of 2001 | 140 |
| Levy of 2000 | 5 |
| Allowance for abatements | (27) |
| Subtotal | 1,991 |

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Other taxes:

Other miscellaneous taxes 20

Total \$ 2,011

6. Allowance for Doubtful Accounts

The receivables reported in the accompanying financial statements reflect the following estimated allowances for doubtful accounts:

| | <u>Governmental</u> | <u>Business-Type</u> |
|----------------|---------------------|----------------------|
| Property taxes | \$ 27,080 | \$ - |

7. Intergovernmental Receivables

Intergovernmental receivables of \$ 443,855 reported in the general fund represents tuition revenue received from area school districts in July and August 2003. The balance of \$ 1,088,990 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Fund bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

| Fiscal Year Ended <u>June 30</u> | <u>Reimbursement For</u> | | |
|-------------------------------------|--------------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2004 | \$ 829,603 | \$ 483,827 | \$ 1,313,430 |
| 2005 | 829,603 | 429,892 | 1,259,495 |
| 2006 | 829,603 | 372,210 | 1,201,813 |
| 2007 | 829,602 | 320,070 | 1,149,672 |
| 2008 | <u>829,603</u> | <u>262,846</u> | <u>1,092,449</u> |
| Subtotal | 4,148,014 | 1,868,845 | 6,016,859 |
| 2009-2013 | <u>3,311,463</u> | <u>493,313</u> | <u>3,804,776</u> |
| Total | \$ <u>7,459,477</u> | \$ <u>2,362,158</u> | \$ <u>9,821,635</u> |

In the Sewer Enterprise fund the City has accrued \$ 230,340 of interest due in fiscal year 2004, along with all principal as Intergovernmental Receivables at June 30, 2003.

8. Loans Receivable

Loans receivable of \$ 618,898 in nonmajor governmental funds represent the uncollected balance of community development loans.

9. Interfund Fund Receivables/Payables

The City maintains self-balancing funds; however, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the June 30, 2003 balances in interfund receivable and payable accounts:

| <u>Fund</u> | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> | <u>Advance To Other Funds</u> | <u>Advance From Other Funds</u> |
|------------------------------|---------------------------------|-------------------------------|-----------------------------------|-------------------------------------|
| General Fund | \$ 939,808 | \$ 18,738,878 | \$ 1,381,880 | \$ - |
| Nonmajor Governmental Funds: | | | | |
| Special Revenue Funds: | | | | |
| Housing rehabilitation | 205,472 | - | - | - |
| Economic DELP | 142,333 | - | - | - |
| CDBG | - | 37,903 | - | - |
| Police justice | 7,148 | - | - | - |
| Police DHA | 8,796 | - | - | - |
| Tobacco | - | 7,145 | - | - |
| Police transportation | - | 17,764 | - | - |
| School lunch | - | 13,060 | - | - |
| School categorical aid | - | 795,972 | - | - |
| Plan improvement | 202,925 | - | - | - |
| Dover main | - | 6,324 | - | - |
| Emergency management | 49,737 | - | - | - |
| Police parking | 106,900 | - | - | - |
| Planning conservation | 720,236 | - | - | - |
| Special programs | 5,106 | 17,704 | - | - |
| Tuition programs | - | 43,936 | - | - |
| Vocational center | 1,036 | - | - | - |
| Alternative education | 39,327 | - | - | - |
| Facilities fund | 58,916 | - | - | - |
| Library fines | 32,556 | - | - | - |
| Residential solid waste | 120,569 | - | - | - |
| Rec. field maintenance | 51,571 | - | - | - |
| Recreation programs | 61,374 | - | - | - |
| Expendable trusts | 2,886 | 3,199 | - | - |
| Capital Project Funds: | | | | |
| CIP FY00 | 78,298 | - | - | - |
| CIP FY01 | 265,665 | - | - | - |
| CIP FY02 | 528,449 | - | - | - |
| CIP FY03 | 4,550,765 | - | - | - |
| Tolend road landfill | 415,645 | - | - | - |
| Rec. field construction | 550,954 | - | - | - |

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| <u>Fund</u> | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> | <u>Advance To Other Funds</u> | <u>Advance From Other Funds</u> |
|-----------------------------|---------------------------------|-------------------------------|-----------------------------------|-------------------------------------|
| Major Proprietary Funds: | | | | |
| Enterprise Funds: | | | | |
| Water | 3,316,074 | - | - | - |
| Sewer | 5,959,083 | - | - | - |
| Arena | 313 | - | - | 1,381,880 |
| DIDA | 15,967 | - | - | - |
| Nonmajor Proprietary Funds: | | | | |
| Internal Service Funds: | | | | |
| Fleet maintenance | 79,125 | - | - | - |
| Dover net | 41,135 | - | - | - |
| Central stores | 27,268 | - | - | - |
| Workers' compensation | 512,896 | - | - | - |
| Fiduciary Funds: | | | | |
| Private Purpose | 9,797 | - | - | - |
| Agency | <u>573,755</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 19,681,885</u> | <u>\$ 19,681,885</u> | <u>\$ 1,381,880</u> | <u>\$ 1,381,880</u> |

10. Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows (in thousands):

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|------------------|-------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 53,473 | \$ 3,900 | \$ - | \$ 57,373 |
| Machinery, equipment, and furnishings | 19,202 | 640 | (25) | 19,817 |
| Infrastructure | <u>42,769</u> | <u>3,075</u> | <u>-</u> | <u>45,844</u> |
| Total capital assets, being depreciated | 115,444 | 7,615 | (25) | 123,034 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (17,430) | (1,260) | - | (18,690) |
| Machinery, equipment, and furnishings | (6,718) | (1,364) | - | (8,082) |
| Infrastructure | <u>(27,066)</u> | <u>(1,492)</u> | <u>-</u> | <u>(28,558)</u> |
| Total accumulated depreciation | <u>(51,214)</u> | <u>(4,116)</u> | <u>-</u> | <u>(55,330)</u> |
| Total capital assets, being depreciated, net | 64,230 | 3,499 | (25) | 67,704 |
| Capital assets, not being depreciated: | | | | |
| Land | 10,334 | - | - | 10,334 |
| Construction in progress | <u>12,546</u> | <u>2,597</u> | <u>(4,108)</u> | <u>11,035</u> |
| Total capital assets, not being depreciated | <u>22,880</u> | <u>2,597</u> | <u>(4,108)</u> | <u>21,369</u> |
| Governmental activities capital assets, net | <u>\$ 87,110</u> | <u>\$ 6,096</u> | <u>\$ (4,133)</u> | <u>\$ 89,073</u> |

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------------|-------------|-------------------|
| Business-Type Activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 39,284 | \$ 67 | \$ - | \$ 39,351 |
| Machinery, equipment, and furnishings | 5,048 | 378 | - | 5,426 |
| Infrastructure | <u>39,402</u> | <u>440</u> | <u>-</u> | <u>39,842</u> |
| Total capital assets, being depreciated | 83,734 | 885 | - | 84,619 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (11,343) | (1,166) | - | (12,509) |
| Machinery, equipment, and furnishings | (3,193) | (253) | - | (3,446) |
| Infrastructure | <u>(13,153)</u> | <u>(813)</u> | <u>-</u> | <u>(13,966)</u> |
| Total accumulated depreciation | (27,689) | (2,232) | - | (29,921) |
| Total capital assets, being depreciated, net | <u>56,045</u> | <u>(1,347)</u> | <u>-</u> | <u>54,698</u> |
| Capital assets, not being depreciated: | | | | |
| Land | 1,712 | 325 | - | 2,037 |
| Construction in progress | <u>1,881</u> | <u>3,330</u> | <u>-</u> | <u>5,211</u> |
| Total capital assets, not being depreciated | <u>3,593</u> | <u>3,655</u> | <u>-</u> | <u>7,248</u> |
| Business-type activities capital assets, net | \$ <u>59,638</u> | \$ <u>2,308</u> | \$ <u>-</u> | \$ <u>61,946</u> |

Depreciation expense was charged to functions of the City as follows (in thousands):

| | |
|---|-----------------|
| Governmental Activities: | |
| General government | \$ 20 |
| Public safety | 257 |
| Education | 1,260 |
| Public works | 2,000 |
| Culture and recreation | <u>579</u> |
| Total depreciation expense - governmental activities | \$ <u>4,116</u> |
| Business-Type Activities: | |
| Water | \$ 501 |
| Sewer | 1,586 |
| Arena | <u>145</u> |
| Total depreciation expense - business-type activities | \$ <u>2,232</u> |

11. Accounts Payable

Accounts payable represents fiscal year 2003 invoices paid in the subsequent fiscal year.

12. Accrued Liabilities

Accrued liabilities in the general fund represents salaries earned but unpaid to City and School employees at year end.

13. Deferred Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the sum of all delinquent taxes at June 30, 2003 less property and unredeemed tax collections for the subsequent 60 days.

14. Long-Term Debt

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. The bonds reported in the business-type activities are repaid from business-type activities' revenues. General obligation bonds currently outstanding are as follows:

| <u>Description</u> | <u>Original Issue Amount</u> | <u>Rate</u> | <u>Maturity Date</u> | <u>Balance</u> |
|----------------------------|------------------------------|-------------|----------------------|-------------------|
| Bonds Payable: | | | | |
| Public improvements 1988 | \$ 3,462,000 | 7.1897% (2) | 07/15/03 | \$ 225,000 |
| WWTP-State guaranteed 1988 | 1,295,000 | 6.9788% (2) | 07/15/03 | 70,000 |
| Public improvements 1989 | 2,816,220 | 6.7911% (1) | 07/15/04 | 370,000 |
| Public improvements 1990 | 4,414,280 | 6.9325% (1) | 01/15/06 | 810,000 |
| Public improvements 1991 | 2,722,500 | 6.6354% (1) | 08/15/06 | 580,000 |
| WWTP-State guaranteed 1991 | 10,500,000 | 6.6983% (1) | 07/15/11 | 4,725,000 |
| WWTP-State guaranteed 1991 | 7,300,000 | 6.5746% (1) | 01/15/12 | 3,285,000 |
| WWTP-State guaranteed 1992 | 450,000 | 5.5966% (1) | 01/15/12 | 200,000 |
| Public improvements 1993 | 1,188,338 | 5.4153% | 08/15/08 | 480,000 |
| Public improvements 1994 | 3,043,000 | 5.6100% | 08/15/09 | 1,305,000 |
| Public improvements 1995 | 3,356,711 | 5.3259% | 08/15/10 | 1,700,000 |
| Public improvements 1996 | 3,885,092 | 5.6554% | 08/15/11 | 2,105,000 |
| Energy conservation 1996 | 875,055 | 5.4059% | 01/15/12 | 424,410 |
| Public improvements 1997 | 1,002,327 | 4.8400% | 08/15/12 | 575,000 |
| Public improvements 1999 | 4,137,500 | 4.1900% | 01/15/13 | 2,810,000 |
| Public improvements 1999 | 2,179,901 | 5.5100% | 01/15/15 | 1,730,000 |
| New Middle School 1999 | 15,741,027 | 5.5800% | 01/15/20 | 12,132,764 |
| Public improvements 2001 | 22,991,400 | 4.4506% | 06/15/21 | 19,990,000 |
| Public improvements 2002 | 2,240,600 | 4.2300% | 06/15/22 | 2,100,000 |
| Public improvements 2003 | <u>14,280,000</u> | 3.1668% | 06/15/24 | <u>14,280,000</u> |
| Total bonds payable | 107,880,951 | | | 69,897,174 |

(continued)

(continued)

| <u>Description</u> | <u>Original Issue Amount</u> | <u>Rate</u> | <u>Maturity Date</u> | <u>Balance</u> |
|--|------------------------------|-------------|----------------------|----------------------|
| Other Long-Term Debt: | | | | |
| State revolving loan - Tolend landfill | 1,271,357 | 3.5625% | 09/01/13 | 932,328 |
| State revolving loan - Griffin well | <u>250,000</u> | 1.1875% | 11/01/03 | <u>22,649</u> |
| Total Long-Term Debt | <u>\$ 109,402,308</u> | | | <u>\$ 70,852,151</u> |

(1) Refinanced, original NIC reflected.

(2) Refinanced, new NIC reflected.

B. Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2003 are as follows:

| <u>Governmental</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------|----------------------|----------------------|----------------------|
| 2004 | \$ 4,214,821 | \$ 1,644,938 | \$ 5,859,759 |
| 2005 | 4,220,335 | 1,557,458 | 5,777,793 |
| 2006 | 4,025,607 | 1,476,191 | 5,501,798 |
| 2007 | 3,741,087 | 1,399,717 | 5,140,804 |
| 2008 | 3,492,838 | 1,335,997 | 4,828,835 |
| 2009 - 2013 | 14,983,773 | 5,830,641 | 20,814,414 |
| 2014 - 2018 | 9,082,599 | 4,808,134 | 13,890,733 |
| 2019 - 2023 | 1,890,032 | 1,925,153 | 3,815,185 |
| 2024 - 2028 | <u>125,000</u> | <u>5,120</u> | <u>130,120</u> |
| Total | <u>\$ 45,776,092</u> | <u>\$ 19,983,349</u> | <u>\$ 65,759,441</u> |

| <u>Business-Type</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|----------------------|---------------------|----------------------|
| 2004 | \$ 2,547,139 | \$ 1,211,892 | \$ 3,759,031 |
| 2005 | 2,397,490 | 1,080,835 | 3,478,325 |
| 2006 | 2,307,490 | 960,847 | 3,268,337 |
| 2007 | 2,062,490 | 843,315 | 2,905,805 |
| 2008 | 2,030,490 | 740,603 | 2,771,093 |
| 2009 - 2013 | 8,756,960 | 2,182,890 | 10,939,850 |
| 2014 - 2018 | 3,949,000 | 712,347 | 4,661,347 |
| 2019 - 2023 | <u>1,025,000</u> | <u>101,856</u> | <u>1,126,856</u> |
| Total | <u>\$ 25,076,059</u> | <u>\$ 7,834,585</u> | <u>\$ 32,910,644</u> |

All governmental fund long-term debt will be repaid through the general fund. The City's proprietary fund future debt service is partially funded by state and as described in Note 7.

C. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2003 are as follows:

| <u>Purpose</u> | <u>Date Authorized</u> | <u>Amount</u> |
|--------------------------|------------------------|---------------------|
| Public Improvements 2004 | 2002/2003 | \$ <u>4,789,000</u> |

D. Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2003 and related limitations. These limits are based on the tax year 2002 base valuations for debt limits of \$ \$ 2,065,144,579 provided by the State Department of Revenue Administration.

| <u>Purpose</u> | <u>Percent of State Assessed Value</u> | <u>Maximum Debt Limit</u> | <u>Applicable Bonds Outstanding at June 30, 2003</u> |
|---------------------------|--|---------------------------|--|
| Municipal | 3% | \$ 61,954,337 | \$ 25,855,410 |
| School | 7% | 144,560,121 | 20,067,764 |
| Water | 10% | 206,514,458 | 5,985,649 |
| DIDA | - | 5,000,000 * | 1,455,000 |
| Not subject to limitation | - | - | <u>17,488,328</u> |
| Total | | | \$ <u>70,852,151</u> |

* Debt limit is set by special legislation.

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2003, the following changes occurred in long-term liabilities (in thousands):

| | <u>Total Balance 7/1/02</u> | <u>Additions</u> | <u>Reductions</u> | <u>Total Balance 6/30/03</u> | <u>Less Current Portion</u> | <u>Equals Long-Term Portion 6/30/03</u> |
|--|-----------------------------|------------------|-------------------|------------------------------|-----------------------------|---|
| <u>Governmental Activities</u> | | | | | | |
| Bonds payable | \$ 40,616 | \$ 9,159 | \$ (3,999) | \$ 45,776 | \$ (4,215) | \$ 41,561 |
| Other: | | | | | | |
| Compensated absences | 3,225 | 143 | (-) | 3,368 | (578) | 2,790 |
| Liability for hazardous waste-site cleanup | <u>11,016</u> | <u>-</u> | <u>(-)</u> | <u>11,016</u> | <u>(-)</u> | <u>11,016</u> |
| Totals | \$ <u>54,857</u> | \$ <u>9,302</u> | \$ <u>(3,999)</u> | \$ <u>60,160</u> | \$ <u>(4,793)</u> | \$ <u>55,367</u> |

(continued)

(continued)

| | Total Balance <u>7/1/02</u> | <u>Additions</u> | <u>Reductions</u> | Total Balance <u>6/30/03</u> | Less Current Portion | Equals Long-Term Portion <u>6/30/03</u> |
|---------------------------------|-----------------------------------|------------------|-------------------|------------------------------------|----------------------------|--|
| <u>Business-Type Activities</u> | | | | | | |
| Bonds payable | \$ 22,227 | \$ 5,121 | \$ (2,272) | \$ 25,076 | \$ (2,547) | \$ 22,529 |
| Other: | | | | | | |
| Compensated absences | <u>113</u> | <u>8</u> | <u>(-)</u> | <u>121</u> | <u>(-)</u> | <u>121</u> |
| Totals | \$ <u>22,340</u> | \$ <u>5,129</u> | \$ <u>(2,272)</u> | \$ <u>25,197</u> | \$ <u>(2,547)</u> | \$ <u>22,650</u> |

15. Landfill Closure and Postclosure Care Costs

The City owned and operated a 55 acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991 the Environmental Protection Agency issued a Record of Decision on the closure of the site, including the City as a Potentially Responsible Party (PRP). The current estimated cost of the closure is \$ 21.8 million. The City has negotiated its preliminary share at \$ 8,166,666 of the first \$ 20 million. This amount includes the Town of Madbury. The City appropriated \$ 2.0 million within the General Fund in fiscal year 1993 through fiscal year 1997 toward the eventual closure costs. \$ 260,000 was received from insurance companies through litigation. \$ 300,000 was received from the Town of Madbury for its full share. An additional \$ 317,000 was received from the State of New Hampshire for a 20% match toward costs to date. The liability of \$ 11,016,013, reported in the long-term debt account group includes an estimate of post closure cost of \$ 4,100,000.

The final allocation of the additional costs will be determined by further negotiations with the remaining seven PRPs or by court judgment. Thirty-one other PRPs have made final settlement on all costs related to the closure with EPA.

The City closed on a loan through the New Hampshire State Revolving Loan program for \$ 1,271,357 in fiscal year 1999. This covered the preliminary costs and capping design. The proceeds of \$ 1,500,000 of the \$ 14,280,000 general obligation bonds issued June 15, 2003 will be used in connection with remediation work at the landfill site.

The City has been in negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves bio-remediation and carries significant savings versus conventional capping. The City received approval for and is in the process of a pilot program to determine the effectiveness of this method. As a result, the City received a four year deferral of the capping requirement from EPA. A final decision from EPA is expected in the next

several months. \$ 1,500,000 of the June 15, 2003 bond issue relates to continued expenses of the pilot program and legal expenses.

16. Restricted Net Assets

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

17. Reserves and Designations of Fund Equity

"Reserves" of fund equity are established to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use. Fund "designations," which are not legally required segregations, have also been established to indicate tentative plans for future financial utilization.

The following types of reserves and designations are reported at June 30, 2003:

Reserved for Encumbrances - An account used to segregate that portion of fund balance committed for expenditure of financial resources upon vendor performance.

Reserved for Advances - An account used to segregate a portion of fund balance to indicate that advances to other funds, although a component of assets, do not represent available spendable resources.

Reserved for Expenditures - Represents the amount of fund balance appropriated to be used for expenditures in the subsequent year budget.

Reserved for Specific Purposes - Represents the amount of fund balance committed for debt service in subsequent years.

18. Commitments and Contingencies

Outstanding Lawsuits - There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute

a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

19. Post-Retirement Health Care

The City provides certain health care benefits for retired employees and will provide benefits to current employees hired prior to January 1, 1991 upon retirement. In order to participate in the City Group Health Insurance Program (the Retiree Group), the employee must be enrolled in the City group plan upon the date of retirement from the City, must be at least age 62 (age 60 with 35 or more years of service), and must be vested in the New Hampshire Retirement System. Any retirees who leave the Retiree Group may not reenter.

Persons who retire from the City with at least ten (10) years of creditable services in the New Hampshire Retirement System but prior to the minimum age 62 must maintain an unbroken participation (at retiree's expense) in the Retiree Group from the effective date of their retirement until qualifying for the City-paid premium benefit in order to become eligible for such City-paid premium benefit at a later date. Persons who have participated in both the City's group health insurance and the New Hampshire State Retirement System for at least 24 consecutive months immediately prior to retirement, but who are not vested in the New Hampshire Retirement System, may also join the Retiree Group at their own expense.

As of June 30, 2003, there were approximately 29 retirees, including eligible spouses, receiving health care benefits. The City recognizes the cost of providing these benefits as paid. These costs totaled \$ 108,733 for the fiscal year ended June 30, 2003.

20. Self-Insurance

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Under the terms of its insurance coverage, the City is liable for \$ 300,000 per incident. The insurer's limit of liability is \$ 3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Net Assets and Claims Liability

The following represents changes in the Workers' Compensation Fund Net Assets and Claims Liability:

| | <u>Net Assets</u> | <u>Claims Liability</u> |
|------------------------|-----------------------|-----------------------------|
| Balance, July 1, 2002 | \$ 53,196 | \$ 501,349 |
| Operating revenues | 335,808 | - |
| Claims incurred | - | 189,746 |
| Operating expenditure | (267,341) | - |
| Claims paid | <u>-</u> | <u>(300,723)</u> |
| Balance, June 30, 2003 | \$ <u>121,663</u> | \$ <u>390,372</u> |

21. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

22. Pension Plan

The City follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds.

A. Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A:1-a of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hampshire Retirement System at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute between 5% and 9.30% of annual covered compensation to the pension plan. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A: 16, and range from 3.94% to 5.40% of covered compensation. The City's contributions to the System for the years ended June 30, 2003, 2002 and 2001 were \$ 1,133,880, \$ 1,020,217 and \$ 927,117, respectively, which were equal to its annual

required contributions for each of these years. Employee contributions to the System for the years ended June 30, 2003, 2002 and 2001 were \$ 1,786,910, \$ 1,609,822 and \$ 1,502,795, respectively.

23. Implementation of New GASB Pronouncements

During fiscal year 2003, the following GASB pronouncements were implemented:

- Statement #34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.
- Statement #37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus*.
- Statement #38, *Certain Financial Statement Note Disclosures*.

The pronouncements identified above are all related to the new financial reporting requirements as defined in Statement #34. Fiscal year 2003 is the required implementation date. The most significant changes required by the new financial reporting standards are as follows:

- Management's discussion and analysis.
- Basic financial statements, which include:
 - Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting.
 - Fund financial statements, consisting of a series of statements that focus on major governmental and enterprise funds.
 - Schedules to reconcile the fund financial statements to the government-wide financial statements.
 - Notes to the basic financial statements.

As a result of implementing these pronouncements, the following restatements have been made to the beginning fund balances:

| <u>Fund</u> | <u>Fund Equity June 30, 2002 (As previously reported)</u> | <u>Reclassification</u> | <u>Capitalize Additional Fixed Assets</u> | <u>Fund Equity June 30, 2002 (As Restated)</u> |
|----------------------------|---|-------------------------|---|--|
| Special Revenue Fund | \$ 560,263 | \$(1,560,263) | \$ - | \$ - |
| Capital Project Fund | 3,254,907 | (3,254,907) | - | - |
| Trust Fund | 4,164,795 | (4,164,795) | - | - |
| Enterprise Fund | 44,722,940 | (44,722,940) | - | - |
| Water Fund | - | 9,053,364 | 4,623,910 | 13,677,274 |
| Sewer Fund | - | 36,597,724 | 3,286,866 | 39,884,590 |
| Arena Fund | - | (598,201) | 178,115 | (420,086) |
| DIDA Fund | - | 1,084,271 | - | 1,084,271 |
| Private Purpose Trust Fund | - | 500,430 | - | 500,430 |
| Nonmajor Gov. Funds | - | 7,065,317 | - | 7,065,317 |

Combining Financial Statements

Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Community Development Fund - To account for grant proceeds received from the US Dept. of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and sub-grant expenditures.
- Housing Rehabilitation Loan Fund - To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- Economic Development Loan Fund - To account for loans given to small business for the purpose of business establishment or expansion.
- Police DOJ Fund - To account for grant proceeds from the U.S. Dept. of Justice for various drug and alcohol awareness and prevention programs.
- Police DHA Fund - To account for funds received from the Dover Housing Authority for payment toward funding a Police Office presence at their housing area.
- Police DOT Fund - To account for grant proceeds from the U.S. Dept. of Transportation for various driving safety programs.
- Police Tobacco Fund - To account for grant proceeds for various tobacco awareness and prevention programs.
- Fire Emergency Management Fund - To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.
- School Cafeteria Fund - To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Dept. of Education and receipt of U.S. Dept. of Agriculture food commodities.
- School Federal Aid Fund - To account for grants received from the U.S. Dept. of Education for various programs supporting School operations.

- School Special Programs Fund - To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- Dover Main Street Fund - To account for the expenditures related to the Main Street Program, reimbursed by the Dover Main Street, Inc.
- Planning Improvements Fund - To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- Parking Activity Fund - To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- Police Special Fund - To account for forfeiture proceeds and special investigative expenditures.
- Conservation Fund - To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- Residential Solid Waste Fund - To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures of residential solid waste pickup and disposal.
- Recreation Programs Fund - To account for the revenue and expenditures of self-supporting recreational programs.
- Recreation Field Maintenance Fund - To account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- Library Fines Fund - To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- Tuition Programs Fund - To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- Vocational Center Fund - To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- School Alternative Education Fund - To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- School Facilities Fund - To account for gate receipts used toward the cost of facility maintenance and upgrades.

- Other Special Revenue Funds - To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment.

CITY OF DOVER, NEW HAMPSHIRE

Non-Major Governmental Funds

**Combining Balance Sheet
June 30, 2003**

| | Community Development <u>Fund</u> | Housing Rehab <u>Loan Fund</u> | Economic Development <u>Loan Fund</u> | Police DOJ <u>Fund</u> |
|------------------------------------|---|--------------------------------------|---|------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - |
| Departmental receivable | - | - | - | - |
| Intergovernmental receivables | 43,213 | - | - | 35,697 |
| Loans receivable | - | 177,532 | 441,366 | - |
| Due from other funds | - | 205,472 | 142,333 | 7,148 |
| Inventory | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ <u>43,213</u> | \$ <u>383,004</u> | \$ <u>583,699</u> | \$ <u>42,845</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,172 | \$ - | \$ 120,049 | \$ 636 |
| Accrued liabilities | 4,138 | - | - | 10,481 |
| Retainage payable | - | - | - | - |
| Deferred revenue | - | 177,532 | 441,366 | - |
| Due to other funds | <u>37,903</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | 43,213 | 177,532 | 561,415 | 11,117 |
| Fund Equity: | | | | |
| Reserved for encumbrances | 179,153 | 8,144 | 65 | 670 |
| Reserved for other purposes | - | - | - | - |
| Unreserved: | | | | |
| Undesignated, reported in: | | | | |
| Special revenue fund | (179,153) | 197,328 | 22,219 | 31,058 |
| Capital Projects fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Equity | <u>-</u> | <u>205,472</u> | <u>22,284</u> | <u>31,728</u> |
| Total Liabilities and Fund Equity | \$ <u>43,213</u> | \$ <u>383,004</u> | \$ <u>583,699</u> | \$ <u>42,845</u> |

| Police DHA Fund | Police DOT Fund | Police Tobacco Fund | Fire Emergency Management Fund | School Cafeteria Fund |
|-----------------------|-----------------------|---------------------------|---|-----------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| - | 2,352 | - | - | - |
| - | 15,200 | 12,862 | - | 25,616 |
| - | - | - | - | - |
| 8,796 | - | - | 49,737 | - |
| - | - | - | - | 23,424 |
| <u>\$ 8,796</u> | <u>\$ 17,552</u> | <u>\$ 12,862</u> | <u>\$ 49,737</u> | <u>\$ 49,040</u> |

| | | | | |
|-----------------|------------------|------------------|------------------|------------------|
| \$ - | \$ - | \$ 5,244 | \$ 1,137 | \$ 6,629 |
| 1,275 | 56 | 473 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 17,764 | 7,145 | - | 13,060 |
| 1,275 | 17,820 | 12,862 | 1,137 | 19,689 |
| - | - | (55) | 354 | - |
| - | - | - | - | 23,424 |
| 7,521 | (268) | 55 | 48,246 | 5,927 |
| - | - | - | - | - |
| 7,521 | (268) | - | 48,600 | 29,351 |
| <u>\$ 8,796</u> | <u>\$ 17,552</u> | <u>\$ 12,862</u> | <u>\$ 49,737</u> | <u>\$ 49,040</u> |

(continued)

(continued)

| | School Federal Aid <u>Fund</u> | School Special Programs <u>Fund</u> | Dover Main Street <u>Fund</u> | Planning Improvements <u>Fund</u> |
|--------------------------------------|--------------------------------------|--|-------------------------------------|---|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - |
| Departmental receivable | - | 15,395 | 7,405 | - |
| Intergovernmental receivables | 852,517 | 66,247 | - | - |
| Loans receivable | - | - | - | - |
| Due from other funds | - | - | - | 202,925 |
| Inventory | - | - | - | - |
| Total Assets | \$ <u>852,517</u> | \$ <u>81,642</u> | \$ <u>7,405</u> | \$ <u>202,925</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | 1,081 | - |
| Retainage payable | - | - | - | - |
| Deferred revenue | - | 15,853 | - | - |
| Due to other funds | <u>795,972</u> | <u>17,704</u> | <u>6,324</u> | <u>-</u> |
| Total Liabilities | 795,972 | 33,557 | 7,405 | - |
| Fund Equity: | | | | |
| Reserved for encumbrances | 64,149 | 65,942 | - | 2,007 |
| Reserved for other purposes | - | - | - | - |
| Unreserved: | | | | |
| Undesignated, reported in: | | | | |
| Special revenue fund | (7,604) | (17,857) | - | 200,918 |
| Capital Projects fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Equity | <u>56,545</u> | <u>48,085</u> | <u>-</u> | <u>202,925</u> |
| Total Liabilities and Fund Equity | \$ <u>852,517</u> | \$ <u>81,642</u> | \$ <u>7,405</u> | \$ <u>202,925</u> |

| Parking Activity Fund | Police Special Fund | Conservation Fund | Residential Solid Waste Fund | Recreation Programs Fund |
|-----------------------------|---------------------------|----------------------|---------------------------------------|--------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| 1,419 | - | 55,296 | 37,840 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 106,900 | 5,106 | 720,236 | 120,569 | 61,374 |
| - | - | - | 17,474 | - |
| <u>\$ 108,319</u> | <u>\$ 5,106</u> | <u>\$ 775,532</u> | <u>\$ 175,883</u> | <u>\$ 61,374</u> |
| | | | | |
| \$ 1,417 | \$ - | \$ 16 | \$ 18,792 | \$ - |
| 3,329 | - | - | 1,223 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>4,746</u> | <u>-</u> | <u>16</u> | <u>20,015</u> | <u>-</u> |
| | | | | |
| 2,009 | - | 5,097 | 61,879 | - |
| - | - | - | - | - |
| | | | | |
| 101,564 | 5,106 | 770,419 | 93,989 | 61,374 |
| - | - | - | - | - |
| <u>103,573</u> | <u>5,106</u> | <u>775,516</u> | <u>155,868</u> | <u>61,374</u> |
| | | | | |
| <u>\$ 108,319</u> | <u>\$ 5,106</u> | <u>\$ 775,532</u> | <u>\$ 175,883</u> | <u>\$ 61,374</u> |

(continued)

(continued)

| | Recreation Field Maintenance <u>Fund</u> | Library Fines <u>Fund</u> | Tuition Programs <u>Fund</u> | Vocational Center <u>Fund</u> |
|--------------------------------------|---|---------------------------------|------------------------------------|-------------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - |
| Departmental receivable | - | - | 2,369 | - |
| Intergovernmental receivables | - | - | 37,638 | - |
| Loans receivable | - | - | - | - |
| Due from other funds | 51,571 | 32,556 | - | 1,036 |
| Inventory | - | - | - | - |
| Total Assets | <u>\$ 51,571</u> | <u>\$ 32,556</u> | <u>\$ 40,007</u> | <u>\$ 1,036</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 2,837 | \$ 7,947 | \$ - | \$ 250 |
| Accrued liabilities | - | - | - | - |
| Retainage payable | - | - | - | - |
| Deferred revenue | - | - | 2,369 | - |
| Due to other funds | - | - | 43,936 | - |
| Total Liabilities | 2,837 | 7,947 | 46,305 | 250 |
| Fund Equity: | | | | |
| Reserved for encumbrances | - | - | - | - |
| Reserved for other specific purposes | - | - | - | - |
| Unreserved: | | | | |
| Undesignated, reported in: | | | | |
| Special revenue fund | 48,734 | 24,609 | (6,298) | 786 |
| Capital Projects fund | - | - | - | - |
| Total Fund Equity | <u>48,734</u> | <u>24,609</u> | <u>(6,298)</u> | <u>786</u> |
| Total Liabilities and Fund Equity | <u>\$ 51,571</u> | <u>\$ 32,556</u> | <u>\$ 40,007</u> | <u>\$ 1,036</u> |

| School Alternative Education Fund | School Facilities Fund | Other Special Revenue Funds | Capital Projects Fund | Total |
|--|------------------------------|--------------------------------------|-----------------------------|----------------------|
| \$ - | \$ - | \$ 39,644 | \$ - | \$ 39,644 |
| - | - | 2,111,707 | - | 2,111,707 |
| 7,719 | 4,090 | 6,390 | - | 140,275 |
| - | - | - | - | 1,088,990 |
| - | - | - | - | 618,898 |
| 39,327 | 58,916 | 2,886 | 6,389,776 | 8,206,664 |
| - | - | - | - | 40,898 |
| <u>\$ 47,046</u> | <u>\$ 63,006</u> | <u>\$ 2,160,627</u> | <u>\$ 6,389,776</u> | <u>\$ 12,247,076</u> |

| | | | | |
|------------------|------------------|---------------------|---------------------|----------------------|
| \$ 799 | \$ 300 | \$ 182 | \$ 376,475 | \$ 543,882 |
| - | - | - | 598 | 22,654 |
| - | - | - | 105,512 | 105,512 |
| - | - | - | - | 637,120 |
| - | - | 3,199 | - | 943,007 |
| <u>799</u> | <u>300</u> | <u>3,381</u> | <u>482,585</u> | <u>2,252,175</u> |
| 1,007 | 4,079 | - | 1,825,214 | 2,219,714 |
| - | - | - | - | 23,424 |
| 45,240 | 58,627 | 2,157,246 | - | 3,669,786 |
| - | - | - | 4,081,977 | 4,081,977 |
| <u>46,247</u> | <u>62,706</u> | <u>2,157,246</u> | <u>5,907,191</u> | <u>9,994,901</u> |
| <u>\$ 47,046</u> | <u>\$ 63,006</u> | <u>\$ 2,160,627</u> | <u>\$ 6,389,776</u> | <u>\$ 12,247,076</u> |

CITY OF DOVER, NEW HAMPSHIRE

Non-Major Governmental Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Equity
For Fiscal Year Ended June 30, 2003**

| | Community Development <u>Fund</u> | Housing Rehab <u>Loan Fund</u> | Economic Development <u>Loan Fund</u> | Police DOJ <u>Fund</u> |
|--|---|--------------------------------------|---|------------------------------|
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 374,131 | - | - | 372,040 |
| Current services | 7,887 | 85,000 | 63,519 | - |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenues | 382,018 | 85,000 | 63,519 | 372,040 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | 632,903 |
| Public works | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Education | - | - | - | 41,393 |
| Human services | 309,056 | 19,539 | 199,538 | - |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>309,056</u> | <u>19,539</u> | <u>199,538</u> | <u>674,296</u> |
| Excess (deficiency) of revenues over expenditures | 72,962 | 65,461 | (136,019) | (302,256) |
| Other Financing Sources (Uses): | | | | |
| Bond proceeds | - | - | - | - |
| Operating transfers in | - | - | - | 258,003 |
| Operating transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>258,003</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 72,962 | 65,461 | (136,019) | (44,253) |
| Fund Equity, beginning | <u>(72,962)</u> | <u>140,011</u> | <u>158,303</u> | <u>75,981</u> |
| Fund Equity, ending | \$ <u>-</u> | \$ <u>205,472</u> | \$ <u>22,284</u> | \$ <u>31,728</u> |

| Police DHA Fund | Police DOT Fund | Police Tobacco Fund | Fire Emergency Management Fund | School Cafeteria Fund |
|-----------------------|-----------------------|---------------------------|---|-----------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| 79,143 | 38,491 | 149,152 | 79,325 | 340,137 |
| - | - | - | - | 775,458 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 79,143 | 38,491 | 149,152 | 79,325 | 1,115,595 |
| - | - | - | - | 8,551 |
| 75,526 | 28,969 | 125,728 | 18,810 | - |
| - | - | - | 68,837 | - |
| - | - | - | - | - |
| - | - | - | 4,062 | 1,078,656 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>75,526</u> | <u>28,969</u> | <u>125,728</u> | <u>91,709</u> | <u>1,087,207</u> |
| 3,617 | 9,522 | 23,424 | (12,384) | 28,388 |
| - | - | - | - | - |
| 9,000 | 832 | - | 26,708 | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 9,000 | 832 | - | 26,708 | - |
| 12,617 | 10,354 | 23,424 | 14,324 | 28,388 |
| (5,096) | (10,622) | (23,424) | 34,276 | 963 |
| <u>\$ 7,521</u> | <u>\$ (268)</u> | <u>\$ -</u> | <u>\$ 48,600</u> | <u>\$ 29,351</u> |

(continued)

(continued)

| | School Federal Aid Fund | School Special Programs Fund | Dover Main Street Fund | Planning Improvements Fund |
|--|-------------------------------|---------------------------------------|------------------------------|----------------------------------|
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 2,897,271 | 108,502 | - | - |
| Current services | - | - | 54,573 | 75,570 |
| Miscellaneous | - | 312,478 | - | - |
| Total Revenues | 2,897,271 | 420,980 | 54,573 | 75,570 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 51,417 | 9,901 |
| Public safety | - | - | - | - |
| Public works | - | - | - | 4,807 |
| Culture and recreation | - | - | - | 87 |
| Education | 2,841,988 | 407,190 | - | - |
| Human services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total Expenditures | 2,841,988 | 407,190 | 51,417 | 14,795 |
| Excess (deficiency) of revenues over expenditures | 55,283 | 13,790 | 3,156 | 60,775 |
| Other Financing Sources (Uses): | | | | |
| Bond proceeds | - | - | - | - |
| Operating transfers in | - | - | - | - |
| Operating transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 55,283 | 13,790 | 3,156 | 60,775 |
| Fund Equity, beginning | 1,262 | 34,295 | (3,156) | 142,150 |
| Fund Equity, ending | \$ 56,545 | \$ 48,085 | \$ - | \$ 202,925 |

| <u>Parking Activity Fund</u> | <u>Police Special Fund</u> | <u>Conservation Fund</u> | <u>Residential Solid Waste Fund</u> | <u>Recreation Programs Fund</u> |
|--------------------------------------|------------------------------------|------------------------------|---|---|
| \$ - | \$ - | \$ 477,468 | \$ - | \$ - |
| - | - | - | - | - |
| 290,010 | 2,106 | - | 682,061 | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,842</u> |
| 290,010 | 2,106 | 477,468 | 682,061 | 13,842 |
| - | - | 346,405 | - | - |
| 249,913 | (90) | - | - | - |
| - | - | - | 639,659 | - |
| - | - | - | - | 6,979 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 249,913 | (90) | 346,405 | 639,659 | 6,979 |
| 40,097 | 2,196 | 131,063 | 42,402 | 6,863 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 40,097 | 2,196 | 131,063 | 42,402 | 6,863 |
| 63,476 | 2,910 | 644,453 | 113,466 | 54,511 |
| <u>\$ 103,573</u> | <u>\$ 5,106</u> | <u>\$ 775,516</u> | <u>\$ 155,868</u> | <u>\$ 61,374</u> |

(continued)

(continued)

| | Recreation Field Maintenance <u>Fund</u> | Library Fines <u>Fund</u> | Tuition Programs <u>Fund</u> | Vocational Center <u>Fund</u> |
|--|---|---------------------------------|------------------------------------|-------------------------------------|
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - |
| Current services | 24,180 | 52,020 | 359,753 | - |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenues | 24,180 | 52,020 | 359,753 | - |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | 672 | - | - | - |
| Culture and recreation | 2,837 | 43,234 | - | - |
| Education | - | - | 368,318 | 1,650 |
| Human services | - | - | - | - |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>3,509</u> | <u>43,234</u> | <u>368,318</u> | <u>1,650</u> |
| Excess (deficiency) of revenues over expenditures | 20,671 | 8,786 | (8,565) | (1,650) |
| Other Financing Sources (Uses): | | | | |
| Bond proceeds | - | - | - | - |
| Operating transfers in | - | - | - | - |
| Operating transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 20,671 | 8,786 | (8,565) | (1,650) |
| Fund Equity, beginning | <u>28,063</u> | <u>15,823</u> | <u>2,267</u> | <u>2,436</u> |
| Fund Equity, ending | \$ <u>48,734</u> | \$ <u>24,609</u> | \$ <u>(6,298)</u> | \$ <u>786</u> |

| <u>School Alternative Education Fund</u> | <u>School Facilities Fund</u> | <u>Other Special Revenue Funds</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|--|---------------------------------------|--|--------------------------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 477,468 |
| 160,336 | - | 14,490 | 500,945 | 5,113,963 |
| 18,719 | 94,891 | 58,589 | 217,625 | 2,861,961 |
| - | - | 233,513 | 22,737 | 582,570 |
| <u>179,055</u> | <u>94,891</u> | <u>306,592</u> | <u>741,307</u> | <u>9,035,962</u> |
| - | - | - | - | 416,274 |
| - | - | 36,798 | - | 1,168,557 |
| - | - | 113,004 | - | 826,979 |
| - | - | - | - | 53,137 |
| 572,594 | 127,276 | - | - | 5,443,127 |
| - | - | - | - | 528,133 |
| - | - | - | 7,471,290 | 7,471,290 |
| <u>572,594</u> | <u>127,276</u> | <u>149,802</u> | <u>7,471,290</u> | <u>15,907,497</u> |
| (393,539) | (32,385) | 156,790 | (6,729,983) | (6,871,535) |
| - | - | - | 9,159,000 | 9,159,000 |
| 374,000 | - | 3,105 | 223,266 | 894,914 |
| - | - | (252,795) | - | (252,795) |
| <u>374,000</u> | <u>-</u> | <u>(249,690)</u> | <u>9,382,266</u> | <u>9,801,119</u> |
| (19,539) | (32,385) | (92,900) | 2,652,283 | 2,929,584 |
| <u>65,786</u> | <u>95,091</u> | <u>2,250,146</u> | <u>3,254,908</u> | <u>7,065,317</u> |
| \$ <u>46,247</u> | \$ <u>62,706</u> | \$ <u>2,157,246</u> | \$ <u>5,907,191</u> | \$ <u>9,994,901</u> |

**Detail and Combining Budget
and Actual Statements**

General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include among other items: General government, public safety, public works, culture and recreation, education, human services, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

CITY OF DOVER, NEW HAMPSHIRE

**Detail Schedule of Revenues and Other Financing Sources -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2003**

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|---------------|-------------------|--|
| | Original | Final | (Budgetary Basis) | Final Budget - Favorable (Unfavorable) |
| <u>Taxes</u> | | | | |
| Property taxes | \$ 38,310,525 | \$ 38,310,525 | \$ 38,378,894 | \$ 68,369 |
| Excavation tax | - | - | 10,143 | 10,143 |
| Boat tax | 15,000 | 15,000 | 22,759 | 7,759 |
| Yield tax | 2,000 | 2,000 | 4,945 | 2,945 |
| Payment in lieu of taxes | 50,000 | 50,000 | 71,298 | 21,298 |
| Activity tax | 35,800 | 35,800 | - | (35,800) |
| National Bank stock tax | 10 | 10 | - | (10) |
| Tax interest and penalties | 200,000 | 200,000 | 194,653 | (5,347) |
| Total Taxes | 38,613,335 | 38,613,335 | 38,682,692 | 69,357 |
| <u>Licenses and Permits</u> | | | | |
| Health licenses and permits | 15,000 | 15,000 | 13,415 | (1,585) |
| Building permits | 170,000 | 170,000 | 229,552 | 59,552 |
| Peddlers and vendors licenses | 840 | 840 | 930 | 90 |
| Motor vehicle permits | 3,200,000 | 3,500,000 | 3,719,694 | 219,694 |
| Electrical permits | 45,000 | 45,000 | 44,757 | (243) |
| Plumbing permits | 25,000 | 25,000 | 33,564 | 8,564 |
| Trailer park permits | 175 | 175 | 150 | (25) |
| Dog licenses | 10,344 | 10,344 | 15,639 | 5,295 |
| Marriage license fees | 2,184 | 2,184 | 1,932 | (252) |
| Birth, death and marriage certificates | 22,215 | 22,215 | 21,919 | (296) |
| Miscellaneous licenses and permits | 7,050 | 7,050 | 12,344 | 5,294 |
| Taxi licenses | 1,165 | 1,165 | 1,065 | (100) |
| Video and arcade licenses | 1,460 | 1,460 | 1,260 | (200) |
| Total Licenses and Permits | 3,500,433 | 3,800,433 | 4,096,221 | 295,788 |
| <u>Intergovernmental</u> | | | | |
| Shared revenue block grant | 600,243 | 600,243 | 600,243 | - |
| Railroad tax | 5,897 | 5,897 | 5,897 | - |
| Rooms and meals distribution | 782,060 | 782,060 | 782,060 | - |
| Federal grant reimbursement | 5,000 | 5,000 | 14,349 | 9,349 |
| State reimbursement | 34,584 | 52,395 | 71,185 | 18,790 |
| Miscellaneous Intergovernmental | - | - | 3,988 | 3,988 |
| Highway block grant | 422,046 | 422,046 | 437,035 | 14,989 |
| Total Intergovernmental | 1,849,830 | 1,867,641 | 1,914,757 | 47,116 |
| <u>Current Services</u> | | | | |
| Sales and service charges | 161,995 | 161,995 | 146,458 | (15,537) |
| Copy sales | 400 | 400 | 1,445 | 1,045 |
| Vending machine charges | 8,700 | 8,700 | 6,368 | (2,332) |
| Commissions | 228 | 228 | 147 | (81) |
| Outside services | 113,916 | 113,916 | 133,475 | 19,559 |

(Continued)

(Continued)

| | Budgeted Amounts | | | Variance with Final Budget - Favorable (Unfavorable) |
|---|------------------|---------------|-----------------------------|---|
| | Original | Final | Actual (Budgetary Basis) | |
| Ambulance services | 350,000 | 350,000 | 427,527 | 77,527 |
| Interment charges | 38,200 | 38,200 | 31,400 | (6,800) |
| Headstone foundations | 5,000 | 5,000 | 7,279 | 2,279 |
| Recreation charges | 171,353 | 171,353 | 168,925 | (2,428) |
| Non-resident charges | 17,520 | 17,520 | 19,095 | 1,575 |
| Department overhead allocations | 167,490 | 167,490 | 164,033 | (13,457) |
| Miscellaneous service charges | 24,671 | 24,671 | 28,147 | 3,476 |
| Total Current Services | 1,059,473 | 1,059,473 | 1,124,299 | 64,826 |
| <u>Education</u> | | | | |
| Education revenue | 11,731,122 | 11,731,122 | 11,740,906 | 9,784 |
| Total Education Income | 11,731,122 | 11,731,122 | 11,740,906 | 9,784 |
| <u>Miscellaneous</u> | | | | |
| Miscellaneous revenue | 12,200 | 12,200 | 58,857 | 46,657 |
| District court receipts | 25,000 | 25,000 | 27,497 | 2,497 |
| Miscellaneous fines and forfeits | 12,320 | 12,320 | 12,898 | 578 |
| Sale of city property | 30,884 | 30,884 | 50,490 | 19,606 |
| Fundraising | 4,100 | 4,100 | 2,395 | (1,705) |
| Variances | - | - | 647 | 647 |
| Investment income | 300,000 | 300,000 | 185,906 | (114,094) |
| Facilities rental | 105,336 | 105,336 | 133,801 | 28,465 |
| Insurance Proceeds | - | - | 3,195 | 3,195 |
| Interest on Arrears | - | - | 447 | 447 |
| Equipment rental | 3,135 | 3,135 | 2,069 | (1,066) |
| Total Miscellaneous | 492,975 | 492,975 | 478,202 | (14,773) |
| <u>Other Financing Sources</u> | | | | |
| Operating transfers in | 32,000 | 32,000 | 49,595 | 17,595 |
| Total Other Financing Sources | 32,000 | 32,000 | 49,595 | 17,595 |
| Total Revenues and Other Financing Sources | \$ 57,279,168 | \$ 57,596,979 | \$ 58,086,672 | \$ 489,693 |

CITY OF DOVER, NEW HAMPSHIRE

**Detail Schedule of Expenditures and Other Financing Uses
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2003**

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------|------------------|------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>(Budgetary Basis)</u> | <u>Final Budget - Favorable (Unfavorable)</u> |
| <u>General Government</u> | | | | |
| City Council | \$ 154,349 | \$ 154,349 | \$ 144,835 | \$ 9,514 |
| Executive | 928,532 | 931,532 | 930,310 | 1,222 |
| Finance | 912,917 | 912,917 | 908,354 | 4,563 |
| Planning | 585,449 | 633,866 | 632,885 | 981 |
| Miscellaneous | <u>701,586</u> | <u>801,724</u> | <u>800,710</u> | <u>1,014</u> |
| Total General Government | 3,282,833 | 3,434,388 | 3,417,094 | 17,294 |
| <u>Public Safety</u> | | | | |
| Police | 4,800,088 | 4,798,818 | 4,756,118 | 42,700 |
| Fire and rescue | <u>3,863,585</u> | <u>3,863,585</u> | <u>3,853,754</u> | <u>9,831</u> |
| Total Public Safety | 8,663,673 | 8,662,403 | 8,609,872 | 52,531 |
| <u>Public Works</u> | | | | |
| Community Services - Public Works | <u>3,758,211</u> | <u>3,953,855</u> | <u>3,898,641</u> | <u>55,214</u> |
| Total Public Works | 3,758,211 | 3,953,855 | 3,898,641 | 55,214 |
| <u>Culture and Recreation</u> | | | | |
| Community Services - Recreation | 1,153,205 | 1,070,685 | 1,039,652 | 31,033 |
| Public Library | <u>939,966</u> | <u>939,966</u> | <u>918,719</u> | <u>21,247</u> |
| Total Culture and Recreation | 2,093,171 | 2,010,651 | 1,958,371 | 52,280 |
| <u>Human Services</u> | | | | |
| Human Services | <u>591,545</u> | <u>657,915</u> | <u>655,030</u> | <u>2,885</u> |
| Total Human Services | 591,545 | 657,915 | 655,030 | 2,885 |

(Continued)

(Continued)

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget - Favorable (Unfavorable) |
|--|----------------------|----------------------|-----------------------------|---|
| | Original | Final | | |
| <u>Education</u> | | | | |
| School department | <u>29,751,613</u> | <u>29,851,613</u> | <u>29,825,786</u> | <u>25,827</u> |
| Total Education | 29,751,613 | 29,851,613 | 29,825,786 | 25,827 |
| <u>Debt Service</u> | | | | |
| Principal | 3,977,237 | 3,977,237 | 3,977,237 | - |
| Interest | <u>1,715,640</u> | <u>1,603,671</u> | <u>1,524,218</u> | <u>79,453</u> |
| Total Debt Service | 5,692,877 | 5,580,908 | 5,501,455 | 79,453 |
| <u>Intergovernmental</u> | | | | |
| County tax | <u>3,695,245</u> | <u>3,695,246</u> | <u>3,695,246</u> | <u>-</u> |
| Total Intergovernmental | <u>3,695,245</u> | <u>3,695,246</u> | <u>3,695,246</u> | <u>-</u> |
| Total Expenditures and Other Financing Uses | <u>\$ 57,529,168</u> | <u>\$ 57,846,979</u> | <u>\$ 57,561,495</u> | <u>\$ 285,484</u> |

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2003

| | Parking Activity | | Variance |
|--|------------------|------------------|------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable)</u> |
| Revenues: | | | |
| Charges for services | \$ 114,200 | \$ 130,197 | \$ 15,997 |
| Intergovernmental | - | - | - |
| Miscellaneous | <u>158,663</u> | <u>159,813</u> | <u>1,150</u> |
| Total Revenues | 272,863 | 290,010 | 17,147 |
| Expenditures: | | | |
| Public safety | 272,863 | 250,289 | 22,574 |
| Education | - | - | - |
| Public works | - | - | - |
| Culture and recreation | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>272,863</u> | <u>250,289</u> | <u>22,574</u> |
| Other Financing Sources: | | | |
| Transfers in | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues and other financing sources over (under) expenditure | \$ <u>-</u> | \$ <u>39,721</u> | \$ <u>39,721</u> |

| Residential Solid Waste | | |
|-------------------------|---------------|--|
| <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
| \$ 704,639 | \$ 679,631 | \$ (25,008) |
| - | - | - |
| - | 2,431 | 2,431 |
| 704,639 | 682,062 | (22,577) |
| - | - | - |
| - | - | - |
| 704,639 | 686,026 | 18,613 |
| - | - | - |
| 704,639 | 686,026 | 18,613 |
| - | - | - |
| - | - | - |
| \$ - | \$ (3,964) | \$ (3,964) |

(Continued)

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2003

(Continued)

| | Library Fines | | Variance |
|--|---------------|-----------------|------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable)</u> |
| Revenues: | | | |
| Charges for services | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - |
| Miscellaneous revenue | <u>28,000</u> | <u>35,125</u> | <u>7,125</u> |
| Total Revenues | <u>28,000</u> | <u>35,125</u> | <u>7,125</u> |
| Expenditures: | | | |
| Public safety | - | - | - |
| Education | - | - | - |
| Public works | - | - | - |
| Culture and recreation | <u>28,000</u> | <u>27,524</u> | <u>476</u> |
| Total Expenditures | <u>28,000</u> | <u>27,524</u> | <u>476</u> |
| Other Financing Sources: | | | |
| Transfers in | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues and other financing sources over (under) expenditure | \$ <u>-</u> | \$ <u>7,601</u> | \$ <u>7,601</u> |

| Tuition Programs | | |
|------------------|---------------|--|
| <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
| \$ 158,000 | \$ 13,844 | \$ (144,156) |
| - | 345,911 | 345,911 |
| - | - | - |
| 158,000 | 359,755 | 201,755 |
| - | - | - |
| 158,000 | 368,318 | (210,318) |
| - | - | - |
| - | - | - |
| 158,000 | 368,318 | (210,318) |
| - | - | - |
| - | - | - |
| \$ - | \$ (8,563) | \$ (8,563) |

(Continued)

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2003

(Continued)

| | School Alternative Education | | |
|---|------------------------------|---------------|--|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Charges for services | \$ 198,000 | \$ 18,719 | \$ (179,281) |
| Intergovernmental | - | 160,336 | 160,336 |
| Miscellaneous | - | - | - |
| Total Revenues | 198,000 | 179,055 | (18,945) |
| Expenditures: | | | |
| Public safety | - | - | - |
| Education | 572,000 | 573,601 | (1,601) |
| Public works | - | - | - |
| Culture and recreation | - | - | - |
| Total Expenditures | 572,000 | 573,601 | (1,601) |
| Other Financing Sources: | | | |
| Transfers in | 374,000 | 374,000 | - |
| Total Other Financing Sources | 374,000 | 374,000 | - |
| Excess of revenues and other financing sources over (under) expenditure: | \$ - | \$ (20,546) | \$ (20,546) |

| School Facilities | | | Totals | | |
|-------------------|--------------------|--|------------------|--------------------|--|
| <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
| \$ 15,000 | \$ 22,431 | \$ 7,431 | \$ 1,189,839 | \$ 864,822 | \$ (325,017) |
| - | - | - | - | 506,247 | 506,247 |
| <u>55,000</u> | <u>72,459</u> | <u>17,459</u> | <u>241,663</u> | <u>269,828</u> | <u>28,165</u> |
| 70,000 | 94,890 | 24,890 | 1,431,502 | 1,640,897 | 209,395 |
| - | - | - | 272,863 | 250,289 | 22,574 |
| 70,000 | 131,353 | (61,353) | 800,000 | 1,073,272 | (273,272) |
| - | - | - | 704,639 | 686,026 | 18,613 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>28,000</u> | <u>27,524</u> | <u>476</u> |
| <u>70,000</u> | <u>131,353</u> | <u>(61,353)</u> | <u>1,805,502</u> | <u>2,037,111</u> | <u>(231,609)</u> |
| - | - | - | 374,000 | 374,000 | - |
| - | - | - | 374,000 | 374,000 | - |
| <u>\$ -</u> | <u>\$ (36,463)</u> | <u>\$ (36,463)</u> | <u>\$ -</u> | <u>\$ (22,214)</u> | <u>\$ (22,214)</u> |

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**Capital Assets Used in the Operation
of Governmental Funds**

CITY OF DOVER, NEW HAMPSHIRE

Schedule of Changes in Capital Assets by Source

For the Year Ended June 30, 2003

| | Capital Assets <u>July 1, 2002</u> | <u>Additions</u> | <u>Depreciation</u> | <u>Deletions</u> | Capital Assets <u>June 30, 2003</u> |
|-------------------------------------|--|----------------------|-----------------------|-----------------------|---|
| Land | \$ 10,334,059 | \$ - | \$ - | \$ - | \$ 10,334,060 |
| Buildings and improvements | 36,042,878 | 3,900,247 | (1,260,129) | - | 38,682,996 |
| Machines, equipment and furnishings | 12,485,495 | 639,859 | (1,365,114) | (25,000) | 11,735,240 |
| Infrastructure | 15,702,380 | 3,075,139 | (1,491,243) | - | 17,286,275 |
| Construction in process | <u>12,545,492</u> | <u>2,596,800</u> | <u>-</u> | <u>(4,107,561)</u> | <u>11,034,731</u> |
| Total Capital Assets | \$ <u>87,110,304</u> | \$ <u>10,212,045</u> | \$ <u>(4,116,486)</u> | \$ <u>(4,132,561)</u> | \$ <u>89,073,302</u> |
| Investments in Capital Assets | \$ <u>87,110,304</u> | \$ <u>10,212,045</u> | \$ <u>(4,116,486)</u> | \$ <u>(4,132,561)</u> | \$ <u>89,073,302</u> |

Substantially all Capital Assets were funded by the general fund.

CITY OF DOVER, NEW HAMPSHIRE

Schedule of Changes in Capital Assets
By Function and Activity

For the Year Ended June 30, 2003

| | General Fixed Assets <u>July 1, 2002</u> | Net Additions | <u>Depreciation</u> | General Fixed Assets <u>June 30, 2003</u> |
|---------------------------------|--|---------------------|---------------------|---|
| General Government: | | | | |
| City council | \$ 35,973 | \$ - | \$ 2,056 | \$ 33,917 |
| Executive | 67,009 | 34,500 | 8,016 | 93,493 |
| Finance | 123,451 | - | 7,054 | 116,397 |
| Planning | 150,706 | - | 3,178 | 147,528 |
| Miscellaneous | 158,480 | 10,000 | - | 168,480 |
| Total General Government | <u>535,619</u> | <u>44,500</u> | <u>20,304</u> | <u>559,815</u> |
| Public Safety: | | | | |
| Police | 743,487 | 346,498 | 127,050 | 962,935 |
| Fire | 2,042,300 | 36,830 | 633,094 | 1,446,036 |
| Total Public Safety | <u>2,785,787</u> | <u>383,328</u> | <u>760,144</u> | <u>2,408,971</u> |
| Public Works: | | | | |
| Community Services-Public Works | 44,239,145 | 1,544,484 | 819,324 | 44,964,305 |
| Total Public Works | <u>44,239,145</u> | <u>1,544,484</u> | <u>819,324</u> | <u>44,964,305</u> |
| Education: | | | | |
| School department | 34,002,952 | 3,669,455 | 1,879,669 | 35,792,738 |
| Total Education | <u>34,002,952</u> | <u>3,669,455</u> | <u>1,879,669</u> | <u>35,792,738</u> |
| Human services: | | | | |
| Human services | 17,986 | - | 1,028 | 16,958 |
| Total Human services | <u>17,986</u> | <u>-</u> | <u>1,028</u> | <u>16,958</u> |
| Culture and Recreation: | | | | |
| Public library | 2,085,064 | 91,593 | 442,806 | 1,733,851 |
| Recreation | 3,443,900 | 346,177 | 193,413 | 3,596,664 |
| Total Culture and Recreation | <u>5,528,964</u> | <u>437,770</u> | <u>636,219</u> | <u>5,330,515</u> |
| Total Capital Assets | <u>\$ 87,110,453</u> | <u>\$ 6,079,537</u> | <u>\$ 4,116,688</u> | <u>\$ 89,073,302</u> |

CITY OF DOVER, NEW HAMPSHIRE

Schedule of Capital Assets
By Function and Activity

June 30, 2003

| | <u>Land</u> | <u>Buildings and Improvements</u> | <u>Machinery, Equipment and Furnishings</u> |
|---------------------------------|----------------------|---|---|
| General Government: | | | |
| City council | \$ - | \$ - | \$ 33,917 |
| Executive | - | - | 93,493 |
| Finance | - | - | 116,397 |
| Planning | - | 42,397 | 105,131 |
| Miscellaneous | - | - | - |
| Total General Government | - | 42,397 | 348,938 |
| Public Safety: | | | |
| Police | - | 119,628 | 843,307 |
| Fire | - | 427,127 | 982,184 |
| Total Public Safety | - | 546,755 | 1,825,491 |
| Public Works: | | | |
| Community Services-Public Works | 10,334,059 | 7,545,288 | 1,181,726 |
| Total Public Works | 10,334,059 | 7,545,288 | 1,181,726 |
| Education: | | | |
| School department | - | 27,503,830 | 7,212,857 |
| Total Education | - | 27,503,830 | 7,212,857 |
| Human Services: | | | |
| Human services | - | - | 16,958 |
| Total Human Services | - | - | 16,958 |
| Culture and Recreation: | | | |
| Public library | - | 868,145 | 865,706 |
| Recreation | - | 2,176,581 | 283,564 |
| Total Culture and Recreation | - | 3,044,726 | 1,149,270 |
| Total Capital Assets | \$ <u>10,334,059</u> | \$ <u>38,682,996</u> | \$ <u>11,735,240</u> |

| <u>Infra- Structure</u> | <u>Construction in Progress</u> | <u>Total</u> |
|-----------------------------|-------------------------------------|----------------------|
| \$ - | \$ - | \$ 33,917 |
| - | - | 93,493 |
| - | - | 116,397 |
| - | - | 147,528 |
| - | 168,480 | 168,480 |
| - | 168,480 | 559,815 |
| - | - | 962,935 |
| - | 36,725 | 1,446,036 |
| - | 36,725 | 2,408,971 |
| 16,996,049 | 8,907,183 | 44,964,305 |
| 16,996,049 | 8,907,183 | 44,964,305 |
| 234,870 | 841,181 | 35,792,738 |
| 234,870 | 841,181 | 35,792,738 |
| - | - | 16,958 |
| - | - | 16,958 |
| - | - | 1,733,851 |
| 55,357 | 1,081,162 | 3,596,664 |
| 55,357 | 1,081,162 | 5,330,515 |
| \$ <u>17,286,276</u> | \$ <u>11,034,731</u> | \$ <u>89,073,302</u> |

Proprietary (Enterprise) Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

Arena Fund: To account for the operations of the Dover Ice Arena.

DIDA Fund: To account for the operations of the Dover Industrial Development Authority. No budget was adopted for the DIDA fund in fiscal year 2003.

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2003

| | | Water Fund | |
|---------------------------------------|------------------|-------------------|-------------------|
| | | Actual | Variance |
| | Budget | (Budgetary | Favorable |
| | | Basis) | (Unfavorable) |
| Operating Revenues: | | | |
| Operating revenue | \$ 2,302,187 | \$ 2,680,350 | \$ 378,163 |
| Other | <u>21,000</u> | <u>27,478</u> | <u>6,478</u> |
| Total Operating Revenues | 2,323,187 | 2,707,828 | 384,641 |
| Operating Expenses: | | | |
| Personnel services | 906,826 | 953,028 | (46,202) |
| Supplies and materials | 189,411 | 198,718 | (9,307) |
| Charges and services | 251,310 | 257,304 | (5,994) |
| Utilities | 219,000 | 204,340 | 14,660 |
| Debt service | 360,000 | 360,000 | - |
| Capital outlay | <u>41,097</u> | <u>8,751</u> | <u>32,346</u> |
| Total Operating Expenses | <u>1,967,644</u> | <u>1,982,141</u> | <u>(14,497)</u> |
| Operating Income (Loss) | 355,543 | 725,687 | 370,144 |
| Non-Operating Income (Expenses): | | | |
| Interest expense | (258,693) | (213,516) | 45,177 |
| Intergovernmental | <u>3,000</u> | <u>-</u> | <u>(3,000)</u> |
| Total Non-Operating Income (Expenses) | <u>(255,693)</u> | <u>(213,516)</u> | <u>42,177</u> |
| Net Income (Loss Before | | | |
| Operating Transfers | 99,850 | 512,171 | 412,321 |
| Operating Transfers In (Out): | | | |
| Transfers in | 24,000 | 24,000 | - |
| Transfers out | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> |
| Total Operating Transfers In (Out) | <u>(76,000)</u> | <u>(76,000)</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ 23,850</u> | <u>\$ 436,171</u> | <u>\$ 412,321</u> |

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2003

| | | Sewer Fund | |
|--|---------------------|-------------------|----------------------------|
| | | Actual | Variance |
| | Budget | (Budgetary Basis) | Favorable (Unfavorable) |
| Operating Revenues: | | | |
| Operating revenue | \$ 3,126,205 | \$ 3,449,213 | \$ 323,008 |
| Other | <u>19,060</u> | <u>179,928</u> | <u>160,868</u> |
| Total Operating Revenues | 3,145,265 | 3,629,141 | 483,876 |
| Operating Expenses: | | | |
| Personnel services | 971,259 | 946,451 | 24,808 |
| Supplies and materials | 471,079 | 367,713 | 103,366 |
| Charges and services | 314,220 | 361,497 | (47,277) |
| Utilities | 369,992 | 312,720 | 57,272 |
| Debt service | 360,000 | 360,000 | - |
| Capital outlay | <u>149,406</u> | <u>128,614</u> | <u>20,792</u> |
| Total Operating Expenses | <u>2,635,956</u> | <u>2,476,995</u> | <u>158,961</u> |
| Operating Income (Loss) | 509,309 | 1,152,146 | 642,837 |
| Non-Operating Income (Expenses): | | | |
| Interest expense | (890,964) | (792,958) | 98,006 |
| Intergovernmental | <u>512,554</u> | <u>512,554</u> | <u>-</u> |
| Total Non-Operating Income (Expenses) | <u>(378,410)</u> | <u>(280,404)</u> | <u>98,006</u> |
| Net Income (Loss Before Operating Transfers | 130,899 | 871,742 | 740,843 |
| Operating Transfers In (Out): | | | |
| Transfers in | 24,000 | 24,000 | - |
| Transfers out | <u>(314,524)</u> | <u>(314,524)</u> | <u>-</u> |
| Total Operating Transfers In (Out) | <u>(290,524)</u> | <u>(290,524)</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ (159,625)</u> | <u>\$ 581,218</u> | <u>\$ 740,843</u> |

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2003

| | | Arena Fund | |
|--|------------------|---------------------|-------------------------|
| | | Actual | Variance |
| | Budget | (Budgetary Basis) | Favorable (Unfavorable) |
| Operating Revenues: | | | |
| Operating revenue | \$ 916,278 | \$ 750,528 | \$ (165,750) |
| Other | <u>25,500</u> | <u>26,920</u> | <u>1,420</u> |
| Total Operating Revenues | 941,778 | 777,448 | (164,330) |
| Operating Expenses: | | | |
| Personnel services | 406,452 | 419,123 | (12,671) |
| Supplies and materials | 25,070 | 40,284 | (15,214) |
| Charges and services | 68,615 | 86,045 | (17,430) |
| Utilities | 228,518 | 268,306 | (39,788) |
| Debt service | 144,000 | 144,000 | - |
| Capital outlay | <u>1,990</u> | <u>(9,753)</u> | <u>11,743</u> |
| Total Operating Expenses | <u>874,645</u> | <u>948,005</u> | <u>(73,360)</u> |
| Operating Income (Loss) | 67,133 | (170,557) | (237,690) |
| Non-Operating Income (Expenses): | | | |
| Interest expense | (168,070) | (193,268) | (25,198) |
| Intergovernmental | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Non-Operating Income (Expenses) | <u>(168,070)</u> | <u>(193,268)</u> | <u>(25,198)</u> |
| Net Income (Loss Before Operating Transfers) | (100,937) | (363,825) | (262,888) |
| Operating Transfers In (Out): | | | |
| Transfers in | 100,000 | - | (100,000) |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Operating Transfers In (Out) | <u>100,000</u> | <u>-</u> | <u>(100,000)</u> |
| Net Income (Loss) | \$ <u>(937)</u> | \$ <u>(363,825)</u> | \$ <u>(362,888)</u> |

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- **Performance Bonds:** To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the required.
- **Chamber of Commerce:** To account for funds received from Chamber of Commerce for its Riverwalk Project.
- **Department Agency:** To account for funds received from other organizations for activities administered by various City departments.
- **School Agency:** To account for funds received from other organizations for activities administered by the Dover School Department.

CITY OF DOVER, NEW HAMPSHIRE

Agency Funds

Combining Balance Sheet

June 30, 2003

| | Performance <u>Deposits</u> | Chamber of <u>Commerce</u> | Department <u>Agency</u> | School <u>Agency</u> | <u>Total</u> |
|------------------------------------|--------------------------------|-------------------------------|-----------------------------|-------------------------|-------------------|
| <u>ASSETS</u> | | | | | |
| Due from other funds | \$ <u>542,166</u> | \$ <u>3,083</u> | \$ <u>18,300</u> | \$ <u>10,206</u> | \$ <u>573,755</u> |
| Total Assets | \$ <u>542,166</u> | \$ <u>3,083</u> | \$ <u>18,300</u> | \$ <u>10,206</u> | \$ <u>573,755</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | |
| Accounts payable | \$ <u>542,166</u> | \$ <u>3,083</u> | \$ <u>18,300</u> | \$ <u>10,206</u> | \$ <u>573,755</u> |
| Total Liabilities | \$ <u>542,166</u> | \$ <u>3,083</u> | \$ <u>18,300</u> | \$ <u>10,206</u> | \$ <u>573,755</u> |

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STATISTICAL SECTION

CITY OF DOVER, NEW HAMPSHIRE
GOVERNMENT-WIDE EXPENSES BY FUNCTION
(in thousands)

| <u>Fiscal Year</u> | <u>Governmental Activities</u> | | | | | | | | | | <u>Business-Type Activities</u> | | | | | <u>Total</u> |
|------------------------|--------------------------------|--------------------------|-------------------------|---------------------------------------|------------------|---------------------------|--------------------------------|-----------------|--------------|-----------------|---------------------------------|---------------------------|---------------------------|-------------|-----------------|--------------|
| | <u>General Government</u> | <u>Public Safety</u> | <u>Public Works</u> | <u>Culture and Recreation</u> | <u>Education</u> | <u>Human Services</u> | <u>Intergovern- mental</u> | <u>Interest</u> | <u>Misc.</u> | <u>Subtotal</u> | <u>Water Services</u> | <u>Sewer Services</u> | <u>Arena Services</u> | <u>PIDA</u> | <u>Subtotal</u> | |
| 2003 | \$ 3,746 | \$ 9,713 | \$ 7,996 | \$ 2,985 | \$ 36,503 | \$ 630 | \$ 3,695 | \$ 1,493 | \$ 319 | \$ 67,080 | \$ 2,326 | \$ 4,328 | \$ 1,151 | \$ 7 | \$ 7,812 | \$ 74,892 |

Note: Only fiscal year 2003 information is provided because in fiscal year 2003 the City implemented the reporting requirements of GASB 34. In future years, the City intends on reporting additional year comparative information on this table so that after fiscal year 2012 there will be ten years presented.

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENT-WIDE REVENUES
(in thousands)

| Fiscal Year | Governmental Activities | | | | | | | | | Business-Type Activities | | | | Total |
|----------------|-------------------------|--|--|-------------------|---------------------------|--|----------------------|----------------------------------|-----------|--------------------------|--|-------------------------------------|----------|-----------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Property Taxes | Motor Vehicle Taxes | Penalties interest & other taxes | Investment Income | Other Revenues & Transfers | Subtotal | Charges for Services | Capital Grants and Contributions | Investment Income & Transfers | Subtotal | |
| 2003 | \$ 13,057 | \$ 9,117 | \$ 1,692 | \$ 38,970 | \$ 3,720 | \$ 196 | \$ 244 | \$ 238 | \$ 67,234 | \$ 8,139 | \$ 513 | \$ (3) | \$ 8,649 | \$ 75,883 |

Note: Only fiscal year 2003 information is provided because in fiscal year 2003 the City implemented the reporting requirements of GASB 34. In future years, the City intends on reporting additional year comparative information on this table so that after fiscal year 2012 there will be ten years presented.

City of Dover, New Hampshire

General Government Expenditures and Other Financing Uses by Function Last Ten Fiscal Years

| Fiscal Year | General Government | Public Safety | Public Works | Culture & Recreation | Education | Human Services | Intergovernmental | Debt Service | Transfers Out | Total |
|-------------|--------------------|---------------|--------------|----------------------|---------------|----------------|-------------------|--------------|---------------|---------------|
| 2003 | \$ 3,362,579 | \$ 9,669,513 | \$ 5,278,346 | \$ 2,026,355 | \$ 34,643,006 | \$ 1,181,469 | \$ 3,695,246 | \$ 5,522,705 | \$ 929,985 | \$ 66,309,204 |
| 2002 | 3,049,278 | 9,016,550 | 4,158,668 | 1,969,556 | 31,382,245 | 1,141,594 | 3,666,619 | 5,707,171 | 412,588 | 60,504,269 |
| 2001 | 2,957,861 | 8,516,843 | 4,264,705 | 1,891,421 | 27,151,429 | 1,617,411 | 2,855,108 | 4,451,136 | 537,110 | 54,243,024 |
| 2000 | 2,752,678 | 7,931,994 | 3,685,294 | 1,733,286 | 24,750,933 | 1,109,990 | 2,824,052 | 3,395,021 | 325,193 | 48,508,441 |
| 1999 | 2,220,952 | 7,027,867 | 3,674,158 | 1,569,064 | 22,553,697 | 1,050,727 | 2,729,400 | 2,854,416 | 244,571 | 43,924,852 |
| 1998 | 2,018,075 | 6,953,254 | 3,479,659 | 1,449,134 | 21,342,687 | 1,397,457 | 2,741,840 | 2,797,847 | - | 42,179,953 |
| 1997 | 2,190,035 | 6,242,617 | 3,317,729 | 1,367,155 | 20,751,169 | 1,329,668 | 2,463,777 | 2,478,096 | 377,040 | 40,517,286 |
| 1996 | 2,113,726 | 6,082,111 | 3,379,036 | 1,236,780 | 20,120,591 | 750,569 | 2,496,169 | 2,374,959 | 668,709 | 39,222,650 |
| 1995 | 2,005,659 | 5,888,360 | 2,466,391 | 1,843,913 | 19,296,315 | 783,781 | 2,422,702 | 2,185,941 | 932,593 | 37,825,655 |
| 1994 | 1,926,988 | 5,454,928 | 2,787,977 | 1,418,809 | 18,254,782 | 848,560 | 2,432,442 | 2,117,707 | 887,338 | 36,129,531 |

Includes general and special revenue funds

General Fund Expenditures and Other Financing Uses by Function Last Ten Fiscal Years

| Fiscal Year | General Government | Public Safety | Public Works | Culture & Recreation | Education | Human Services | Intergovernmental | Debt Service | Transfers Out | Total |
|-------------|--------------------|---------------|--------------|----------------------|---------------|----------------|-------------------|--------------|---------------|---------------|
| 2003 | \$ 2,946,305 | \$ 8,500,956 | \$ 4,451,367 | \$ 1,973,218 | \$ 29,199,879 | \$ 653,336 | \$ 3,695,246 | \$ 5,522,705 | \$ 677,190 | \$ 57,620,202 |
| 2002 | 3,007,590 | 7,762,936 | 3,538,122 | 1,926,516 | 27,208,695 | 550,038 | 3,666,619 | 5,707,171 | 412,588 | 53,780,275 |
| 2001 | 2,942,239 | 7,364,837 | 3,572,785 | 1,863,347 | 24,203,905 | 446,689 | 2,855,108 | 4,451,136 | 439,751 | 48,139,797 |
| 2000 | 2,752,678 | 6,917,361 | 3,169,586 | 1,682,017 | 21,760,597 | 414,116 | 2,824,052 | 3,395,021 | 321,193 | 43,236,321 |
| 1999 | 2,220,952 | 6,387,607 | 3,156,441 | 1,498,600 | 19,729,818 | 425,516 | 2,729,400 | 2,854,416 | 240,571 | 39,243,321 |
| 1998 | 2,018,075 | 6,237,944 | 3,007,741 | 1,401,167 | 18,732,972 | 396,391 | 2,741,840 | 2,797,847 | - | 37,333,977 |
| 1997 | 2,190,035 | 5,607,494 | 2,830,860 | 1,277,831 | 18,248,537 | 362,215 | 2,463,777 | 2,478,096 | 377,040 | 35,835,885 |
| 1996 | 2,113,726 | 5,451,752 | 2,905,446 | 1,169,288 | 17,880,332 | 358,161 | 2,496,169 | 2,374,959 | 614,523 | 35,364,356 |
| 1995 | 2,005,659 | 5,387,697 | 1,979,342 | 1,779,941 | 17,330,125 | 339,022 | 2,422,702 | 2,185,941 | 837,126 | 34,267,555 |
| 1994 | 1,926,988 | 5,099,626 | 2,315,536 | 1,391,693 | 16,599,102 | 348,951 | 2,432,442 | 2,117,707 | 878,468 | 33,110,513 |

Special Revenue Fund Expenditures and Other Financing Uses by Function Last Ten Fiscal Years

| Fiscal Year | General Government | Public Safety | Public Works | Culture & Recreation | Education | Human Services | Intergovernmental | Debt Service | Transfers Out | Total |
|-------------|--------------------|---------------|--------------|----------------------|--------------|----------------|-------------------|--------------|---------------|--------------|
| 2003 | \$ 416,274 | \$ 1,168,557 | \$ 826,979 | \$ 53,137 | \$ 5,443,127 | \$ 528,133 | \$ - | \$ - | \$ 252,795 | \$ 8,689,002 |
| 2002 | 41,688 | 1,253,614 | 620,546 | 43,040 | 4,173,550 | 591,556 | - | - | - | 6,723,994 |
| 2001 | 15,622 | 1,152,006 | 691,920 | 28,074 | 2,947,524 | 1,170,722 | - | - | 97,359 | 6,103,227 |
| 2000 | - | 1,014,933 | 515,708 | 51,269 | 2,990,336 | 695,874 | - | - | 4,000 | 5,272,120 |
| 1999 | - | 640,260 | 517,717 | 70,464 | 2,823,879 | 625,211 | - | - | 4,000 | 4,681,531 |
| 1998 | - | 715,310 | 471,918 | 47,967 | 2,609,715 | 1,001,066 | - | - | - | 4,845,976 |
| 1997 | - | 635,123 | 486,869 | 89,324 | 2,502,632 | 967,453 | - | - | - | 4,681,401 |
| 1996 | - | 630,359 | 473,590 | 67,492 | 2,240,259 | 392,408 | - | - | 54,186 | 3,858,294 |
| 1995 | - | 500,663 | 487,049 | 63,972 | 1,966,190 | 444,759 | - | - | 95,467 | 3,558,100 |
| 1994 | - | 355,302 | 472,441 | 27,116 | 1,655,680 | 499,609 | - | - | 8,870 | 3,019,018 |

Data Source

Audited Financial Statements

Fiscal Year 2003 includes Special Revenue Funds previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

General Government Revenues and Other Financing Sources by Source Last Ten Fiscal Years

| Fiscal Year | Taxes | Licenses & Permits | Intergovernmental | Current Services | Education | Misc. Revenue | Transfers In | Total |
|-------------|--------------|--------------------|-------------------|------------------|--------------|---------------|--------------|---------------|
| 2003 | \$39,127,067 | \$ 4,096,208 | \$ 7,028,720 | \$ 3,986,260 | \$11,740,906 | \$ 1,060,772 | \$ 302,390 | \$ 67,342,324 |
| 2002 | 35,759,199 | 3,944,619 | 5,805,035 | 2,657,774 | 11,003,650 | 1,302,185 | 404,685 | 60,877,147 |
| 2001 | 32,105,887 | 3,686,246 | 5,067,062 | 2,670,537 | 9,333,811 | 1,734,335 | 347,751 | 54,945,629 |
| 2000 | 29,376,946 | 3,344,023 | 4,820,080 | 2,409,432 | 8,823,894 | 1,455,468 | 257,193 | 50,487,036 |
| 1999 | 29,211,331 | 3,005,048 | 4,179,719 | 2,454,321 | 4,446,561 | 1,181,587 | 415,963 | 44,894,530 |
| 1998 | 27,475,883 | 2,842,129 | 4,242,310 | 2,296,463 | 4,174,750 | 1,681,735 | 36,435 | 42,749,704 |
| 1997 | 27,896,396 | 2,549,240 | 4,399,608 | 2,245,852 | 3,668,590 | 995,846 | 32,000 | 41,787,532 |
| 1996 | 26,315,269 | 2,237,778 | 3,389,045 | 2,018,643 | 3,537,781 | 924,859 | 230,864 | 38,654,239 |
| 1995 | 26,391,122 | 2,021,879 | 3,281,189 | 2,014,379 | 3,387,533 | 1,076,390 | 200,393 | 38,372,885 |
| 1994 | 26,795,175 | 1,788,372 | 2,915,002 | 1,639,332 | 3,799,977 | 735,036 | 74,578 | 37,747,472 |

Includes general and special revenue funds

General Fund Revenues and Other Financing Sources by Source Last Ten Fiscal Years

| Fiscal Year | Taxes | Licenses & Permits | Intergovernmental | Current Services | Education | Misc. Revenue | Transfers In | Total |
|-------------|--------------|--------------------|-------------------|------------------|--------------|---------------|--------------|---------------|
| 2003 | \$38,649,599 | \$ 4,096,208 | \$ 1,914,757 | \$ 1,124,299 | \$11,740,906 | \$ 478,202 | \$ 49,595 | \$ 58,053,566 |
| 2002 | 35,585,882 | 3,944,619 | 1,766,065 | 1,030,036 | 10,758,527 | 680,805 | 32,000 | 53,797,934 |
| 2001 | 31,853,179 | 3,686,246 | 1,675,881 | 1,054,940 | 9,333,811 | 1,093,938 | 32,000 | 48,729,995 |
| 2000 | 29,141,018 | 3,344,023 | 1,610,534 | 954,790 | 8,823,894 | 963,059 | 36,000 | 44,873,318 |
| 1999 | 29,211,331 | 3,005,048 | 1,546,811 | 1,000,878 | 4,446,561 | 620,461 | 261,000 | 40,092,090 |
| 1998 | 27,475,883 | 2,842,129 | 1,426,647 | 945,757 | 4,174,750 | 628,469 | 36,435 | 37,530,069 |
| 1997 | 27,896,396 | 2,549,240 | 1,324,304 | 912,380 | 3,668,590 | 662,810 | 32,000 | 37,045,720 |
| 1996 | 26,315,269 | 2,237,778 | 1,354,223 | 742,904 | 3,537,781 | 606,134 | 104,899 | 34,898,988 |
| 1995 | 26,391,122 | 2,021,879 | 1,527,973 | 750,908 | 3,385,740 | 698,300 | 116,200 | 34,892,122 |
| 1994 | 26,795,175 | 1,788,372 | 1,246,896 | 613,351 | 3,742,318 | 480,908 | 34,000 | 34,701,020 |

Special Revenue Fund Revenues and Other Financing Sources by Source Last Ten Fiscal Years

| Fiscal Year | Taxes | Licenses & Permits | Intergovernmental | Current Services | Education | Misc. Revenue | Transfers In | Total |
|-------------|------------|--------------------|-------------------|------------------|-----------|---------------|--------------|--------------|
| 2003 | \$ 477,468 | \$ - | \$ 5,113,963 | \$ 2,861,961 | \$ - | \$ 582,570 | \$ 252,795 | \$ 9,288,757 |
| 2002 | 173,317 | - | 4,038,970 | 1,627,738 | 245,123 | 621,380 | 372,685 | 7,079,213 |
| 2001 | 252,708 | - | 3,391,181 | 1,615,597 | - | 640,397 | 315,751 | 6,215,634 |
| 2000 | 235,928 | - | 3,209,546 | 1,454,642 | - | 492,409 | 221,193 | 5,613,718 |
| 1999 | - | - | 2,632,908 | 1,453,443 | - | 561,126 | 154,963 | 4,802,440 |
| 1998 | - | - | 2,815,663 | 1,350,706 | - | 1,053,266 | - | 5,219,635 |
| 1997 | - | - | 3,075,304 | 1,333,472 | - | 333,036 | - | 4,741,812 |
| 1996 | - | - | 2,034,822 | 1,275,739 | - | 318,725 | 125,965 | 3,755,251 |
| 1995 | - | - | 1,753,216 | 1,263,471 | 1,793 | 378,090 | 84,193 | 3,480,763 |
| 1994 | - | - | 1,668,106 | 1,025,981 | 57,659 | 254,128 | 40,578 | 3,046,452 |

Data Source

Audited Financial Statements

Fiscal Year 2003 includes Special Revenue Funds previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

General Government Tax Revenues by Source Last Ten Fiscal Years

| Fiscal Year | Property Taxes | Resident Tax (1) | Current Use | Boat Tax | Yield Tax | Payment in Lieu of Tax | Excavation Tax | Activity Tax (2) | Tax Interest & Penalties | Total |
|-------------|----------------|------------------|-------------|-----------|-----------|------------------------|----------------|------------------|--------------------------|---------------|
| 2003 | \$ 38,345,800 | \$ - | \$ 475,838 | \$ 22,759 | \$ 4,945 | \$ 71,298 | \$ 10,143 | \$ - | \$ 196,283 | \$ 39,127,067 |
| 2002 | 35,273,175 | - | 162,276 | 23,328 | 3,279 | 99,639 | 13,953 | - | 183,548 | 35,759,198 |
| 2001 | 31,494,896 | - | 250,246 | 20,745 | 765 | 90,005 | 10,459 | 35,085 | 203,687 | 32,105,886 |
| 2000 | 28,596,237 | - | 341,124 | 21,473 | 19,047 | 93,506 | 10,743 | 39,410 | 255,406 | 29,376,946 |
| 1999 | 28,702,711 | - | 119,434 | 21,209 | 9,341 | 86,259 | 6,371 | 35,464 | 230,542 | 29,211,331 |
| 1998 | 27,013,636 | - | 80,986 | - | 3,598 | 94,715 | - | 19,938 | 263,009 | 27,475,882 |
| 1997 | 27,277,050 | - | 132,826 | 15,962 | 6,325 | 41,213 | - | - | 423,020 | 27,896,396 |
| 1996 | 25,780,647 | - | 46,988 | 16,490 | 10,850 | 41,449 | - | - | 418,844 | 26,315,269 |
| 1995 | 25,750,377 | - | 26,896 | 13,560 | 2,816 | 38,562 | - | - | 558,911 | 26,391,122 |
| 1994 | 25,769,847 | 156,880 | 2,000 | 14,389 | 1,469 | 54,686 | - | - | 795,903 | 26,795,174 |

Data Source
Audited Internal Financial Statements

Notes:

- (1) Resident Tax was eliminated by vote of the City Council for FY 1995 on.
- (2) Activity tax was ruled unconstitutional by N.H. Supreme Court.

City of Dover, New Hampshire

Property Tax Levies and Collections Last Ten Fiscal Years

| Fiscal Year | Total Property Tax Levy | Current Tax Collections | Percent of Current Taxes Collected | Delinquent Tax Collections | Total Tax Collections | Ratio of Total Tax Collections to Total Tax Levy | Outstanding Delinquent Taxes | Ratio of Delinquent Taxes to Total Tax Levy |
|-------------|-------------------------|-------------------------|------------------------------------|----------------------------|-----------------------|--|------------------------------|---|
| 2003 | \$ 38,378,893 | \$ 36,736,460 | 95.7% | \$ 1,485,217 | \$ 38,221,677 | 99.6% | \$ 2,018,145 | 5.3% |
| 2002 | 35,301,454 | 33,862,981 | 95.9% | 1,309,686 | 35,172,667 | 99.6% | 1,833,929 | 5.2% |
| 2001 | 31,525,308 | 30,190,566 | 95.8% | 1,279,249 | 31,469,815 | 99.8% | 1,705,142 | 5.4% |
| 2000 | 28,514,086 | 27,305,905 | 95.8% | 1,616,951 | 28,922,856 | 101.4% | 1,649,649 | 5.8% |
| 1999 | 28,513,295 | 27,184,820 | 95.3% | 1,463,754 | 28,648,574 | 100.5% | 1,858,419 | 6.5% |
| 1998 | 27,295,037 | 25,825,560 | 94.6% | 1,699,881 | 27,525,441 | 100.8% | 1,993,698 | 7.3% |
| 1997 | 26,448,046 | 24,902,283 | 94.2% | 2,350,486 | 27,252,769 | 103.0% | 2,224,102 | 8.4% |
| 1996 | 25,592,819 | 23,530,842 | 91.9% | 2,491,135 | 26,021,977 | 101.7% | 3,028,825 | 11.8% |
| 1995 | 25,298,772 | 22,991,315 | 90.9% | 2,978,043 | 25,969,358 | 102.7% | 3,457,983 | 13.7% |
| 1994 | 24,659,462 | 22,027,774 | 89.3% | 4,013,892 | 26,041,666 | 105.6% | 4,128,569 | 16.7% |

Data Source
Audited Internal Financial Statements

City of Dover, New Hampshire

General Government Fund Balance Last Ten Fiscal Years

| Fiscal Year | Reserved | | | | | | Total Unreserved | Total Fund Balances |
|-------------|--------------|--------------|----------------|--------------|-----------|--------------|------------------|---------------------|
| | Encumbrances | Advances | Capital Outlay | Debt Service | Other | Total | | |
| 2003 | \$ 1,185,254 | \$ 1,381,880 | \$ 85,693 | \$ 170,000 | \$ 23,424 | \$ 2,846,251 | \$ 7,379,307 | \$ 10,225,558 |
| 2002 | 897,406 | 944,236 | 259,577 | 191,250 | 28,938 | 2,321,407 | 4,943,339 | 7,264,746 |
| 2001 | 590,582 | 309,500 | 286,559 | 212,500 | 27,682 | 1,426,823 | 5,465,045 | 6,891,868 |
| 2000 | 504,014 | 286,000 | 263,680 | 233,750 | 27,484 | 1,314,928 | 4,874,335 | 6,189,263 |
| 1999 | 363,783 | 399,500 | 291,930 | 255,000 | 25,707 | 1,335,920 | 2,874,748 | 4,210,668 |
| 1998 | 305,691 | 316,000 | 78,176 | 30,000 | 23,077 | 752,944 | 2,488,024 | 3,240,968 |
| 1997 | 112,652 | 247,065 | 71,426 | - | 22,276 | 453,419 | 2,217,797 | 2,671,216 |
| 1996 | 74,728 | 225,343 | 43,363 | - | 27,441 | 370,875 | 1,030,095 | 1,400,970 |
| 1995 | 108,171 | 324,617 | 9,802 | - | 53,986 | 496,576 | 1,472,805 | 1,969,381 |
| 1994 | 221,923 | 291,345 | 59,498 | - | 23,652 | 596,418 | 825,733 | 1,422,151 |

Includes general and special revenue funds

General Fund - Fund Equity Last Ten Fiscal Years

| Fiscal Year | Reserved | | | | | | Total Unreserved | Total Fund Balances |
|-------------|--------------|--------------|----------------|--------------|-------|--------------|------------------|---------------------|
| | Encumbrances | Advances | Capital Outlay | Debt Service | Other | Total | | |
| 2003 | \$ 790,753 | \$ 1,381,880 | \$ 85,693 | \$ 170,000 | \$ - | \$ 2,428,326 | \$ 3,709,521 | \$ 6,137,847 |
| 2002 | 703,744 | 944,236 | 259,577 | 191,250 | - | 2,098,807 | 3,605,676 | 5,704,483 |
| 2001 | 469,814 | 309,500 | 286,559 | 212,500 | - | 1,278,373 | 4,408,451 | 5,686,824 |
| 2000 | 363,239 | 286,000 | 263,680 | 233,750 | - | 1,146,669 | 3,949,957 | 5,096,626 |
| 1999 | 363,783 | 399,500 | 291,930 | 255,000 | - | 1,310,213 | 2,149,416 | 3,459,629 |
| 1998 | 152,091 | 316,000 | 78,176 | 30,000 | - | 576,267 | 2,034,593 | 2,610,860 |
| 1997 | 70,937 | 247,065 | 71,426 | - | - | 389,428 | 2,025,339 | 2,414,767 |
| 1996 | 74,728 | 225,343 | 43,363 | - | - | 343,434 | 861,498 | 1,204,932 |
| 1995 | 108,171 | 324,617 | 9,802 | - | - | 442,590 | 1,227,710 | 1,670,300 |
| 1994 | 184,582 | 291,345 | 59,498 | - | - | 535,425 | 510,308 | 1,045,733 |

Special Revenue Fund - Fund Equity Last Ten Fiscal Years

| Fiscal Year | Reserved | | | | | | Total Unreserved | Total Fund Balances |
|-------------|--------------|----------|----------------|--------------|-----------|------------|------------------|---------------------|
| | Encumbrances | Advances | Capital Outlay | Debt Service | Other | Total | | |
| 2003 | \$ 394,501 | \$ - | \$ - | \$ - | \$ 23,424 | \$ 417,925 | \$ 3,669,786 | \$ 4,087,711 |
| 2002 | 193,662 | - | - | - | 28,938 | 222,600 | 1,337,663 | 1,560,263 |
| 2001 | 120,768 | - | - | - | 27,682 | 148,450 | 1,056,594 | 1,205,044 |
| 2000 | 140,775 | - | - | - | 27,484 | 168,259 | 924,378 | 1,092,637 |
| 1999 | - | - | - | - | 25,707 | 25,707 | 725,332 | 751,039 |
| 1998 | 153,600 | - | - | - | 23,077 | 176,677 | 453,431 | 630,108 |
| 1997 | 41,715 | - | - | - | 22,276 | 63,991 | 192,458 | 256,449 |
| 1996 | - | - | - | - | 27,441 | 27,441 | 168,597 | 196,038 |
| 1995 | - | - | - | - | 53,986 | 53,986 | 245,095 | 299,081 |
| 1994 | 37,341 | - | - | - | 23,652 | 60,993 | 315,425 | 376,418 |

Data Source

Audited Financial Statements

Fiscal Year 2003 includes Special Revenue Funds previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property Last Ten Fiscal Years

| Fiscal Year | Local Assessed Value (1) | | | Total Assessed Value | Less Exemptions to Assessed Value (1) | Net Assessed Value (1) | Estimated Full Value (2) | Ratio of Total Assessed Value to Total Estimated Full Value |
|----------------|--------------------------|---------------------------|---------------|-------------------------|--|------------------------------|-----------------------------|---|
| | Residential | Commercial/ Industrial | Utilities | | | | | |
| 2003 | \$1,359,533,470 | \$471,810,672 | \$ 31,250,100 | \$ 1,862,594,242 | \$ 10,271,000 | \$ 1,852,323,242 | \$ 2,033,558,594 | 91.6% |
| 2002 | 1,157,386,700 | 414,001,060 | 31,250,100 | 1,602,637,860 | 9,969,500 | 1,592,668,360 | 1,789,901,391 | 89.5% |
| 2001 | 780,489,650 | 319,310,200 | 26,188,800 | 1,125,988,650 | 7,145,000 | 1,118,843,650 | 1,529,921,457 | 73.6% |
| 2000 | 725,066,300 | 265,815,100 | 25,502,700 | 1,016,384,100 | 9,362,000 | 1,007,022,100 | 1,324,236,772 | 76.8% |
| 1999 | 702,697,000 | 259,212,300 | 25,466,800 | 987,376,100 | 5,833,300 | 981,542,800 | 1,161,777,709 | 85.0% |
| 1998 | 685,793,200 | 241,339,500 | 25,466,800 | 952,599,500 | 6,555,800 | 946,043,700 | 1,028,621,807 | 92.6% |
| 1997 | 673,774,200 | 234,392,600 | 25,612,900 | 933,779,700 | 5,878,300 | 927,901,400 | 996,357,942 | 93.7% |
| 1996 | 676,983,000 | 225,372,800 | 17,490,600 | 919,846,400 | 5,738,300 | 914,108,100 | 959,034,811 | 95.9% |
| 1995 | 658,404,800 | 235,156,500 | 17,490,600 | 911,051,900 | 6,508,300 | 904,543,600 | 948,065,894 | 96.1% |
| 1994 | 654,222,500 | 249,206,900 | 17,490,600 | 920,920,000 | 6,830,000 | 914,090,000 | 929,546,816 | 99.1% |

Data Sources

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

| Fiscal Year | Budgetary Use of Fund | | | Local School (2) | State School (3) | Total School | County | Total | Estimated Full Value Rate |
|----------------|-----------------------------|---------------------|-------------------|---------------------|---------------------|-----------------|---------|----------|---------------------------------|
| | City | Fund Balance (1) | Total City (2) | | | | | | |
| 2003 | \$ 8.03 | \$ (0.13) | \$ 7.90 | \$ 6.08 | \$ 4.91 | \$ 10.99 | \$ 1.97 | \$ 20.86 | \$ 18.90 |
| 2002 | 8.80 | (0.67) | 8.13 | 6.31 | 5.65 | 11.96 | 2.27 | 22.36 | 19.75 |
| 2001 | 11.28 | (0.94) | 10.34 | 8.41 | 7.22 | 15.63 | 2.51 | 28.48 | 20.25 |
| 2000 | 11.70 | (0.25) | 11.45 | 6.32 | 8.04 | 14.36 | 2.75 | 28.56 | 21.04 |
| 1999 | 10.54 | (0.34) | 10.20 | 16.29 | - | 16.29 | 2.73 | 29.22 | 23.65 |
| 1998 | 10.11 | (0.41) | 9.70 | 16.10 | - | 16.10 | 2.85 | 28.65 | 26.07 |
| 1997 | 10.39 | (0.36) | 10.03 | 16.07 | - | 16.07 | 2.60 | 28.70 | 26.40 |
| 1996 | 10.29 | (0.95) | 9.34 | 16.18 | - | 16.18 | 2.68 | 28.20 | 26.79 |
| 1995 | 10.09 | (0.63) | 9.46 | 16.07 | - | 16.07 | 2.62 | 28.15 | 26.74 |
| 1994 | 10.52 | (0.74) | 9.78 | 14.77 | - | 14.77 | 2.60 | 27.15 | 26.61 |

Data Source

NH State Department of Revenue Administration

Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Principal Taxpayers June 30, 2003

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>2003 Assessed Value</u> | <u>Percentage of Total Assessed Value</u> |
|-----------------------------|------------------------------|------------------------------------|---|
| Liberty Mutual Insurance Co | Insurance | \$ 24,267,000 | 1.31 % |
| Public Service Co of NH | Utility | 20,669,900 | 1.12 |
| The New Meadows Inc | Apartments | 11,381,100 | 0.61 |
| NP Dover LLC | Supermarket | 11,055,500 | 0.60 |
| Heidelberg Harris | Manufacturer | 10,952,100 | 0.59 |
| Northern Utilities Inc | Gas Utility | 10,057,600 | 0.54 |
| Dover Mills Partnership | Developer | 9,501,700 | 0.51 |
| Holgate Limited Partnership | Comm/Res Rentals | 9,255,600 | 0.50 |
| Sawyers Mills Assoc Inc | Apartments | 7,282,700 | 0.39 |
| Langdon Place of Dover | Nursing Homes | 7,211,000 | 0.39 |
| | Total of Principal Taxpayers | \$ 121,634,200 | 6.57 % |
| | Net Assessed Value | \$1,852,323,242 | |

Data Source
City of Dover Tax Warrant

City of Dover, New Hampshire

Computation of Legal Debt Margin June 30, 2003

| | City | School | Water | DIDA IP (3) | DIDA IB (4) | Total in Limits | Exempt from Limits | Total Debt |
|--------------------------------|--------------|---------------|--------------|----------------|----------------|--------------------|-----------------------|--------------|
| Bonded Debt | \$25,855,410 | \$ 20,067,764 | \$ 5,963,000 | \$ 1,455,000 | \$ - | \$53,341,174 | \$ 16,556,000 | \$69,897,174 |
| Other Long Term Debt | - | - | 22,649 | - | - | 22,649 | 932,328 | 954,977 |
| Total Debt Outstanding | \$25,855,410 | \$ 20,067,764 | \$ 5,985,649 | \$ 1,455,000 | \$ - | \$53,363,823 | \$ 17,488,328 | \$70,852,151 |
| Debt Authorized - Unissued | 1,110,000 | - | 2,700,000 | 400,000 | - | 4,210,000 | 579,000 | 4,789,000 |
| Total Issued Debt & Authorized | \$26,965,410 | \$ 20,067,764 | \$ 8,685,649 | \$ 1,855,000 | \$ - | \$57,573,823 | \$ 18,067,328 | \$75,641,151 |

Legal Debt % Rates of
Base Value for Debt Service (1) 3.0% 7.0% 10.0% Set by special legislation

Base Value for Debt Limits (2)
2,065,144,579

Debt Limits \$61,954,337 \$144,560,121 \$206,514,458 \$4,000,000 \$1,000,000

Unused Capacity \$34,988,927 \$124,492,357 \$197,828,809 \$2,145,000 \$1,000,000

Percent used 43.5% 13.9% 4.2% 46.4% 0.0%

Notes:

- (1) Legal Debt % Rates set by NH State statute
- (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (3) Dover Industrial Development Authority - Industrial Parks
- (4) Dover Industrial Development Authority - Industrial Park Buildings

City of Dover, New Hampshire

Ratio of Net General Obligation Debt To Assessed Value and Net General Obligation Debt per Capita Last Ten Fiscal Years

| Fiscal Year | Population (1) | Estimated Full Assessed Value (2) | Gross Long Term Debt | Less State Aid Payments | Debt Payable from Enterprise Revenue | Net Long Term Debt | Ratio of Net Long Term Debt to Estimated Full Assessed Value | Net Long Term Debt per Capita |
|-------------|----------------|-----------------------------------|----------------------|-------------------------|--------------------------------------|--------------------|--|-------------------------------|
| 2003 | 27,436 | \$ 2,033,558,594 | \$ 70,852,151 | \$ 13,564,907 | \$ 17,616,577 | \$ 39,670,667 | 2.0% | \$ 1,446 |
| 2002 | 27,252 | 1,789,901,391 | 62,842,377 | 12,316,567 | 13,937,713 | 36,588,097 | 2.0% | 1,343 |
| 2001 | 27,068 | 1,529,921,457 | 67,734,018 | 13,519,768 | 15,221,793 | 38,992,457 | 2.5% | 1,441 |
| 2000 | 26,884 | 1,324,236,772 | 49,731,846 | 14,741,553 | 6,684,422 | 28,305,871 | 2.1% | 1,053 |
| 1999 | 26,698 | 1,161,777,709 | 35,716,718 | 10,861,302 | 7,760,585 | 17,094,831 | 1.5% | 640 |
| 1998 | 26,514 | 1,028,621,807 | 33,537,462 | 11,734,953 | 7,737,550 | 14,064,959 | 1.4% | 530 |
| 1997 | 26,330 | 996,357,942 | 34,960,147 | 12,509,716 | 7,641,651 | 14,808,780 | 1.5% | 562 |
| 1996 | 26,146 | 959,034,811 | 33,842,898 | 13,774,015 | 7,383,803 | 12,685,080 | 1.3% | 485 |
| 1995 | 25,962 | 948,065,894 | 32,923,000 | 14,756,584 | 7,194,658 | 10,971,758 | 1.2% | 423 |
| 1994 | 25,778 | 929,546,816 | 32,748,338 | 15,716,044 | 7,603,848 | 9,428,446 | 1.0% | 366 |

Notes:

(1) Trended amounts based on 1990 and 2000 US Census information.

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Ratio of Annual Debt Service Expenditures For General Obligation Long Term Debt To General Governmental Expenditures Last Ten Fiscal Years

| Fiscal Year | Principal | Interest (1) | Total Debt Service | General Governmental Expenditures (2) | Ratio of Debt Service to General Governmental Expenditures |
|-------------|--------------|--------------|--------------------|---------------------------------------|--|
| 2003 | \$ 3,977,237 | \$ 1,473,335 | \$ 5,450,571 | \$ 65,908,406 | 8.3% |
| 2002 | 3,985,705 | 1,637,666 | 5,623,371 | 60,504,269 | 9.3% |
| 2001 | 3,270,711 | 960,843 | 4,231,554 | 54,243,024 | 7.8% |
| 2000 | 1,978,789 | 868,833 | 2,847,622 | 48,508,441 | 5.9% |
| 1999 | 1,802,942 | 808,799 | 2,611,741 | 43,924,852 | 5.9% |
| 1998 | 1,735,106 | 909,593 | 2,644,699 | 42,179,953 | 6.3% |
| 1997 | 1,429,326 | 880,872 | 2,310,198 | 40,517,286 | 5.7% |
| 1996 | 1,392,615 | 809,770 | 2,202,385 | 39,222,650 | 5.6% |
| 1995 | 1,228,226 | 773,236 | 2,001,463 | 37,825,655 | 5.3% |
| 1994 | 1,165,888 | 742,022 | 1,907,910 | 36,129,531 | 5.3% |

Data Source
Audited Financial Statements

Notes:

(1) Excludes interest on short term notes.

(2) Includes general and special revenue funds.

City of Dover, New Hampshire

Computation of Overlapping Debt General Obligation Bonds June 30, 2003

| <u>Jurisdiction</u> | <u>Net General Obligation Debt Outstanding (1)</u> | <u>Percentage Applicable to Government (2)</u> | <u>Amount Applicable to Government</u> |
|---------------------|--|--|--|
| Strafford County | \$ 21,834,311 | 27.281928% | \$ 5,956,821 |

Data Source

(1) Strafford County Audited Financial Statements, December 31, 2002

(2) NH Department of Revenue Administration

City of Dover, New Hampshire

Demographic Statistics Last Ten Fiscal Years

| Fiscal Year | Population (1) | Dover Median Family Income (1) | Unemployment Rate (2) | School Enrollment (3) | Total Teachers (3) | Ratio of Students to Teacher |
|-------------|----------------|--------------------------------------|--------------------------|--------------------------|-----------------------|------------------------------------|
| 2003 | 27,436 | \$ 62,681 | 3.4% | 4,112 | 264.3 | 15.56 |
| 2002 | 27,252 | 60,804 | 2.4% | 4,032 | 249.4 | 16.17 |
| 2001 | 27,068 | 58,927 | 2.1% | 3,993 | 243.4 | 16.41 |
| 2000 | 26,884 | 57,050 | 2.1% | 3,966 | 227.3 | 17.45 |
| 1999 | 26,698 | 55,174 | 2.3% | 3,872 | 231.8 | 16.70 |
| 1998 | 26,514 | 53,297 | 2.6% | 3,615 | 229.7 | 15.74 |
| 1997 | 26,330 | 51,420 | 3.6% | 3,471 | 205.3 | 16.91 |
| 1996 | 26,146 | 49,543 | 3.6% | 3,451 | 209.9 | 16.44 |
| 1995 | 25,962 | 47,666 | 3.6% | 3,408 | 212.3 | 16.05 |
| 1994 | 25,778 | 45,789 | 5.6% | 3,363 | 211.1 | 15.93 |

Data Sources

(1) Trended amounts based on 1990 and 2000 US Census information.

(2) NH Department of Employment Security

(3) Dover School Department, enrollment as of October of each year.

City of Dover, New Hampshire

Property Value and Construction Last Ten Fiscal Years

| Fiscal Year | Local Assessed Property Value (1) | | | | Building Permits (2) | |
|-------------|-----------------------------------|----------------|---------------|------------------|----------------------|--------------------|
| | Residential | Commercial | Utilities | Total | Number of Permits | Construction Value |
| 2003 | \$ 1,359,533,470 | \$ 471,739,172 | \$ 31,321,600 | \$ 1,862,594,242 | 629 | \$ 42,871,745 |
| 2002 | 1,157,386,700 | 414,001,060 | 31,250,100 | 1,602,637,860 | 646 | 51,254,746 |
| 2001 | 780,489,650 | 319,310,200 | 26,188,800 | 1,125,988,650 | 626 | 49,283,349 |
| 2000 | 725,066,300 | 265,815,100 | 25,502,700 | 1,016,384,100 | 625 | 35,801,208 |
| 1999 | 702,697,000 | 259,212,300 | 25,466,800 | 987,376,100 | 556 | 40,877,669 |
| 1998 | 685,793,200 | 241,339,500 | 25,466,800 | 952,599,500 | 477 | 31,392,162 |
| 1997 | 673,774,200 | 234,392,600 | 25,612,900 | 933,779,700 | 476 | 33,233,469 |
| 1996 | 676,983,000 | 225,372,800 | 17,490,600 | 919,846,400 | 470 | 15,121,676 |
| 1995 | 658,404,800 | 235,156,500 | 17,490,600 | 911,051,900 | 531 | 18,176,732 |
| 1994 | 654,222,500 | 249,206,900 | 17,490,600 | 920,920,000 | 406 | 10,303,066 |

Data Sources

(1) State MS-1 Report of Assessed Values

(2) City of Dover Planning Department - Inspection Division.

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenditures, Other Financing Sources and Uses and Change in Total Net Assets Last Ten Fiscal Years

| Fiscal Year | Revenue and Other Financing Sources | | | | | Expenses & Other Financing Uses | | | | | Increase (Decrease) Total Net Assets | Total Net Assets |
|-------------|-------------------------------------|----------------------|------------|--------------|--------------|---------------------------------|--------------|------------------|---------------|--------------|--------------------------------------|-------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2003 | \$ 512,554 | \$ 6,957,737 | \$ 409,068 | \$ - | \$ 7,879,359 | \$ 3,560,102 | \$ 2,087,337 | \$ 1,006,474 | \$ 14,524 | \$ 6,668,438 | \$ 1,210,921 | \$ 54,772,785 (1) |
| 2002 | 565,334 | 5,130,038 | 136,903 | 735,000 | 6,567,275 | 3,285,298 | 2,264,227 | 1,136,101 | 592,245 | 7,277,871 | (710,596) | 53,561,864 (2) |
| 2001 | 679,857 | 5,498,937 | 217,157 | 867,000 | 7,262,951 | 3,294,038 | 2,214,503 | 908,358 | 340,000 | 6,756,899 | 506,052 | 44,826,544 |
| 2000 | 638,392 | 4,999,583 | 179,590 | - | 5,817,565 | 2,877,432 | 2,225,281 | 1,018,410 | 315,000 | 6,436,123 | (618,558) | 44,210,697 |
| 1999 | 759,847 | 4,888,517 | 102,005 | - | 5,750,369 | 2,859,706 | 2,237,918 | 1,125,162 | 290,000 | 6,512,786 | (762,417) | 44,721,602 |
| 1998 | 791,522 | 4,693,006 | 164,281 | 500,607 | 6,149,416 | 2,779,065 | 2,099,376 | 1,207,484 | 245,339 | 6,331,264 | (181,848) | 45,407,210 |
| 1997 | 844,890 | 4,349,900 | 115,840 | - | 5,310,630 | 2,858,341 | 2,121,251 | 1,314,859 | 180,000 | 6,474,451 | (1,163,821) | 45,207,968 |
| 1996 | 866,915 | 4,539,264 | 34,833 | 232,000 | 5,673,012 | 2,867,938 | 2,093,021 | 1,359,046 | 215,000 | 6,255,005 | (581,993) | 46,330,152 |
| 1995 | 944,919 | 4,469,638 | 48,473 | - | 5,463,030 | 2,625,332 | 2,075,124 | 1,474,056 | 211,010 | 6,385,522 | (922,492) | 46,890,599 |
| 1994 | 1,017,668 | 4,415,402 | 103,322 | - | 5,536,392 | 2,430,899 | 2,131,174 | 1,561,526 | 211,243 | 6,334,842 | (798,450) | 49,238,859 |

Includes Water and Sewer Funds

Water Fund Revenue, Expenditures, Other Financing Sources and Uses and Change in Fund Equity Last Ten Fiscal Years

| Fiscal Year | Revenue and Other Financing Sources | | | | | Expenses & Other Financing Uses | | | | | Increase (Decrease) Total Net Assets | Total Net Assets |
|-------------|-------------------------------------|----------------------|------------|--------------|--------------|---------------------------------|--------------|------------------|---------------|--------------|--------------------------------------|-------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2003 | \$ - | \$ 3,040,583 | \$ 121,338 | \$ - | \$ 3,161,921 | \$ 1,611,453 | \$ 501,377 | \$ 213,516 | \$ - | \$ 2,326,346 | \$ 835,575 | \$ 14,512,849 (1) |
| 2002 | - | 2,217,796 | 47,485 | 400,000 | 2,665,281 | 1,513,683 | 465,709 | 259,524 | 292,245 | 2,531,161 | 134,120 | 13,677,274 (2) |
| 2001 | - | 2,287,727 | 19,100 | 142,000 | 2,448,827 | 1,377,318 | 438,642 | 118,840 | 40,000 | 1,974,800 | 474,027 | 8,375,032 |
| 2000 | - | 2,169,065 | 12,030 | - | 2,181,095 | 1,227,278 | 430,875 | 147,350 | 40,000 | 1,845,503 | 335,592 | 7,791,977 |
| 1999 | - | 2,052,582 | 16,239 | - | 2,068,821 | 1,125,482 | 406,385 | 162,953 | 40,000 | 1,734,820 | 334,001 | 7,348,732 |
| 1998 | - | 2,031,133 | 16,834 | 3,216 | 2,051,183 | 1,136,149 | 339,450 | 183,506 | 40,000 | 1,699,105 | 352,078 | 6,937,923 |
| 1997 | - | 1,840,024 | 52,250 | - | 1,892,274 | 1,118,561 | 337,945 | 201,175 | 40,000 | 1,697,681 | 194,593 | 6,184,608 |
| 1996 | - | 1,897,731 | 13,467 | - | 1,916,198 | 1,031,755 | 332,770 | 180,753 | 40,000 | 1,585,278 | 330,920 | 5,957,899 |
| 1995 | - | 1,844,482 | 29,250 | - | 1,873,732 | 877,351 | 320,624 | 213,740 | 52,640 | 1,464,355 | 409,377 | 5,605,433 |
| 1994 | - | 1,763,268 | 40,473 | - | 1,823,741 | 974,393 | 368,567 | 210,284 | 50,833 | 1,604,077 | 219,664 | 5,361,938 |

Sewer Fund Revenue, Expenditures, Other Financing Sources and Uses and Change in Fund Equity Last Ten Fiscal Years

| Fiscal Year | Revenue and Other Financing Sources | | | | | Expenses & Other Financing Uses | | | | | Increase (Decrease) Total Net Assets | Total Net Assets |
|-------------|-------------------------------------|----------------------|------------|--------------|--------------|---------------------------------|--------------|------------------|---------------|--------------|--------------------------------------|-------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2003 | \$ 512,554 | \$ 3,917,154 | \$ 287,730 | \$ - | \$ 4,717,438 | \$ 1,948,649 | \$ 1,585,960 | \$ 792,958 | \$ 14,524 | \$ 4,342,091 | \$ 375,347 | \$ 40,259,937 (1) |
| 2002 | 565,334 | 2,912,242 | 89,418 | 335,000 | 3,901,994 | 1,771,615 | 1,798,518 | 876,577 | 300,000 | 4,746,710 | (844,716) | 39,884,590 (2) |
| 2001 | 679,857 | 3,211,210 | 198,057 | 725,000 | 4,814,124 | 1,916,720 | 1,775,861 | 789,518 | 300,000 | 4,782,099 | 32,025 | 36,451,512 |
| 2000 | 638,392 | 2,830,518 | 167,560 | - | 3,636,470 | 1,650,154 | 1,794,406 | 871,060 | 275,000 | 4,590,620 | (954,150) | 36,418,720 |
| 1999 | 759,847 | 2,835,935 | 85,766 | - | 3,681,548 | 1,734,224 | 1,831,533 | 962,209 | 250,000 | 4,777,966 | (1,096,418) | 37,372,870 |
| 1998 | 791,522 | 2,661,873 | 147,447 | 497,391 | 4,098,233 | 1,642,916 | 1,759,926 | 1,023,978 | 205,339 | 4,632,159 | (533,926) | 38,469,287 |
| 1997 | 844,890 | 2,509,876 | 63,590 | - | 3,418,356 | 1,739,780 | 1,783,306 | 1,113,684 | 140,000 | 4,776,770 | (1,358,414) | 39,023,360 |
| 1996 | 866,915 | 2,641,533 | 16,366 | 232,000 | 3,756,814 | 1,556,183 | 1,760,251 | 1,178,293 | 175,000 | 4,669,727 | (912,913) | 40,372,253 |
| 1995 | 944,919 | 2,625,156 | 19,223 | - | 3,589,298 | 1,747,981 | 1,754,500 | 1,260,316 | 158,370 | 4,921,167 | (1,331,869) | 41,285,166 |
| 1994 | 1,017,668 | 2,632,134 | 62,849 | - | 3,712,651 | 1,456,506 | 1,762,607 | 1,351,242 | 160,410 | 4,730,765 | (1,018,114) | 43,876,921 |

Data Source

Audited Financial Reports

(1) Fiscal year 2003 includes Capital Reserve Funds previously considered Trust Funds.

(2) Total Net Assets as restated for Fiscal Year ending June 30, 2002. Restatement resulting from adjustment of capital asset values and accumulated depreciation.

City of Dover, New Hampshire

Utility Fund Billable Volumes and Rates Last Ten Fiscal Years

| Fiscal Year | Billable Volume Used for Setting Rates | | Rates per HCF | | |
|----------------|--|---------|---------------|---------|----------|
| | Water | Sewer | Water | Sewer | Combined |
| 2003 | 1,015,000 | 900,000 | \$ 2.17 | \$ 3.73 | \$ 5.90 |
| 2002 | 990,000 | 881,000 | 2.31 | 3.59 | 5.90 |
| 2001 | 960,000 | 864,000 | 2.04 | 3.44 | 5.48 |
| 2000 | 935,000 | 845,000 | 2.08 | 3.20 | 5.28 |
| 1999 | 930,000 | 850,000 | 1.87 | 3.20 | 5.07 |
| 1998 | 948,000 | 860,000 | 1.89 | 3.03 | 4.92 |
| 1997 | 938,000 | 841,000 | 1.86 | 3.06 | 4.92 |
| 1996 | 925,000 | 833,000 | 1.86 | 3.06 | 4.92 |
| 1995 | 920,000 | 825,000 | 1.75 | 3.00 | 4.75 |
| 1994 | 882,000 | 818,000 | 1.75 | 3.00 | 4.75 |

Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
 Sewer charges are based on the amount of water consumed.
 One hundred cubic feet (HCF) equals 748 gallons.

Data Source
 City of Dover Budget and Budget Resolutions

City of Dover, New Hampshire
Miscellaneous Statistics
June 30, 2003

| | |
|--|-----------------|
| Date of Incorporation | 1855 |
| Form of Government | Council/Manager |
| Area in Square Miles | 29 |
| Total Number of Positions - Full Time Equivalents (excluding school) | FTE 303.4 |

City of Dover Facilities and Services:

| | | |
|---|----------------------------|-------------|
| General Government | | |
| Number of Personnel | Full Time Equivalent (FTE) | 58.8 |
| Police Protection | | |
| Number of stations | | 2 |
| Number of sworn police personnel and officers | FTE | 54.6 |
| Number of support positions (includes Public Safety Dispatch) | FTE | 24.1 |
| Number of patrol units | | 10 |
| Number of law violations: | | |
| Physical arrests | | 1252 |
| Traffic violations | | 1972 |
| Parking violations | | 7983 |
| Fire Protection | | |
| Number of stations | | 2 |
| Number of fire personnel and officers | FTE | 48.9 |
| Number of calls answered | | 5077 |
| Number of inspections conducted | | 640 |
| Public Works | | |
| Number of personnel | FTE | 51 |
| Miles of streets | | 131 |
| Miles of storm drains | | 57 |
| Number of street lights | | 1831 |
| Sewage System: | | |
| Number of personnel | FTE | 16 |
| Miles of sanitary sewers | | 112 |
| Number of treatment plants | | 1 |
| Number of service connections | | 6488 |
| Daily average treatment in gallons | | 2.7 Mil Gal |
| Maximum daily capacity of treatment in gallons | | 4.7 Mil Gal |
| Water system: | | |
| Number of personnel | FTE | 13.5 |
| Miles of water mains | | 142 |
| Number of service connections | | 7656 |
| Number of fire hydrants | | 960 |
| Daily average consumption in gallons | | 2.8 Mil Gal |
| Maximum daily capacity of plant in gallons | | 3.4 Mil Gal |
| Culture and Recreation: | | |
| Number of personnel | FTE | 36.5 |
| Community Centers | | 2 |
| Parks | | 16 |
| Park acreage | | 236 |
| Swimming pools | | 2 |
| Tennis courts | | 9 |
| Indoor gyms | | 2 |
| Indoor ice skating sheets | | 2 |
| Education | | |
| Number of elementary Schools | | 3 |
| Number of elementary school instructors | | 88.3 |
| Number of elementary school students | | 1292 |
| Student capacity of elementary schools (addition for 200 in progress) | | 1462 |
| Number of secondary schools | | 2 |
| Number of secondary school instructors | | 176 |
| Number of secondary school students | | 2678 |
| Student capacity of secondary schools (addition for 200 in progress) | | 2800 |
| Facilities and services not included in the primary government or reporting entity: | | |
| Cable television system | | |
| Miles of service | | 177.16 |
| Hospitals | | |
| Number of hospitals | | 1 |
| Number of patient beds | | 178 |
| Multi model transportation center | | 1 |
| Passenger rail (to Boston MA or Portland ME), Bus and Taxi | | |

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